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LEGISLATIVE HISTORY

Public Law 87-794
H. R. 11970

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INDEX AND SUMMARY OF H. R. 11970

Jan. 25, 1962	Both Houses received President's message on foreign trade. H. Doc. 314. Print of document.
	Rep. Mills introduced H. R. 9900 which was referred to the House Ways and Means Committee. Print of bill as introduced.
June 4, 1962	Rep. Mills introduced H. R. 11970 (in lieu of H. R. 9900) which was referred to the House Ways and Means Committee. Print of bill as introduced.
	House committee voted to report (but did not actually report) H. R. 11970.
June 12, 1962	House committee reported H. R. 11970 with amendments. H. Report No. 1818. Print of bill and report.
June 20, 1962	Summary of H. R. 11970 as reported.
June 26, 1962	House Rules Committee reported resolution for consideration of H. R. 11970. H. Res. 712. H. Report No. 1924. Print of resolution and report.
June 27, 1962	House began debate on H. R. 11970.
June 28, 1962	House passed H. R. 11970 as reported.
June 29, 1962	H. R. 11970 was referred to the Senate Finance Committee. Print of bill as referred.
July 19, 1962	Sen. Engle discussed his proposed amendment to H. R. 11970, re tariff rates on certain fruit.
Aug. 2, 1962	Sen. Bush submitted proposed amendments.
	Sen. Muskie submitted proposed amendments.
Aug. 7, 1962	Sen. Javits submitted proposed amendments.
Aug. 15, 1962	Sen. Pell submitted proposed amendments.
Aug. 23, 1962	Senate committee continued executive consideration of H. R. 11970.
Aug. 29, 1962	Sen. Smathers submitted proposed amendments.
Sept. 5, 1962	Sen. Neuberger submitted proposed amendments.
Sept. 13, 1962	Senate committee continued consideration of H. R. 11970.

Sept. 14, 1962	Senate committee reported H. R. 11970 with amendments. S. Report No. 2059. Print of bill and report.
Sept. 17, 1962	Senate began debate on H. R. 11970.
Sept. 18, 1962	Senate continued debate on H. R. 11970.
Sept. 19, 1962	Senate passed H. R. 11970 with amendments.
	Senate conferees were appointed.
	Print of bill with Senate amendments numbered.
Sept. 20, 1962	House conferees were appointed on H. R. 11970.
Sept. 26, 1962	Conferees agreed to file a report.
	Sen. Humphrey expressed approval of H. R. 11970.
Oct. 2, 1962	House received conference report. H. Report No. 2518. Print of report.
Oct. 4, 1962	Both Houses agreed to the conference report on H. R. 11970.
Oct. 1962	Approved: Public Law 87-794.
	President's statement when signing.

Hearings: H. R. 9900: Part 1 - 4; H. Ways and Means Committee.
H. R. 11970: Part 1 - 5; S. Finance Committee (Secretary Freeman's testimony in Part 4).

DIGEST OF PUBLIC LAW 87-794

TRADE EXPANSION ACT OF 1962. Authorizes the President to enter into foreign trade agreements for five years, from July 1, 1962, to June 30, 1967. Provides the President with basic authority to reduce duties by 50 percent of the level existing on July 1, 1962, and to increase duties to 50 percent over the July 1, 1934 level, and to impose quotas or other import restrictions. Authorizes the President to reduce by more than 50 percent or to remove duties on articles within categories when he has determined that the U. S. and the countries comprising the European Economic Community together account for 80 percent of the free world trade in such categories of articles in a representative period. Authorizes the President to reduce by more than 50 percent or to remove duties on agricultural materials and articles referred to in USDA Agricultural Handbook No. 143, as issued in September 1959, whenever he determines that such an agreement will tend to assure the maintenance or expansion of U.S. exports of like articles. Authorizes the President to reduce by more than 50 percent or to remove duties on tropical agricultural or forestry commodities whenever he determines that like commodities are not produced in significant quantities in the U. S. Authorizes the President to reduce or remove entirely all duties which were 5 percent or less on July 1, 1962. Authorizes the President to withdraw existing trade agreement benefits or to refrain from proclaiming any negotiated trade agreement concessions to countries which maintain unreasonable import restrictions which burden U. S. commerce directly or indirectly. Requires the President to impose duties or other import restrictions on the products of any foreign country establishing and maintaining foreign import restrictions against U. S. agricultural products, notwithstanding any provision of any trade agreement and to the extent he deems necessary and appropriate, in order to prevent the establishment or to obtain the removal of foreign import restrictions and to provide access of U. S. agricultural products to the markets of such foreign country. Provides that Sec. 22 or the Agricultural Adjustment Act and import restrictions imposed thereunder shall be unaffected by this act. Requires the President in certain circumstances to reserve from negotiations for further tariff cuts bay articles with respect to which there were outstanding proclamations under the national security or escape-clause provisions of existing law or of this act, and any articles which the Tariff Commission found under existing law that imports of such articles were seriously injuring or threatening serious injury to the domestic industry concerned. Retains the national security provisions of previous law governing the authority of the President to take action to adjust the level of imports when he finds they threaten to impair the national security. Requires, in general, that tariff reductions shall bbe made in no less than five

annual stages. Requires the Tariff Commission to advise the President with respect to the probable economic effect of any proposed trade agreement action with respect to any article. Requires the President to afford interested persons an opportunity to present their views on matters pertinent to a trade agreement negotiation to any agency or interagency committee he designates. Requires the President to appoint a Special Representative for Trade Negotiations to be chief representative of the U. S. at negotiations conducted under the act. Requires the President to establish an interagency organization composed of the Special Representative and such heads of departments and other officers he may choose to advise him on trade matters. Requires the President to transmit to Congress a copy of each trade agreement entered into with a statement of reasons for entering into the agreement. Requires the President, in cases where he has not taken action found by the Tariff Commission to be necessary to prevent or remedy serious injury to an industry, to implement the Tariff Commission finding in an escape-clause case upon the adoption by Congress, by a majority of the authorized membership of each House, of a resolution approving the action found by the Commission to be necessary. Provides for tariff adjustment assistance to industry and adjustment assistance to workers found to have been adversely affected by increased imports resulting in major part from trade agreement concessions.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE

(For information only; should not be quoted or cited)

Issued January 26, 1962
For actions of January 25, 1962
87th-2d, No. 10

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HIGHLIGHTS: Both Houses received President's foreign trade message. Rep. Hoeven criticized Administration farm policies. Sen. Keating expressed concern over possible increased dairy controls.

SENATE

1. FOREIGN TRADE. Both Houses received the President's message on foreign trade transmitting the proposed Trade Expansion Act of 1962 (H. Doc. 314) (pp. 773-7, 822-6). The President stated that the proposed bill would provide general authority to reduce existing tariffs by 50 percent in reciprocal negotiations; special authority to be used in negotiating with the European Economic Community to reduce or eliminate all tariffs on those groups of products where the United States and the EEC together account for 80 percent or more of world trade in a representative period; special authority to reduce or eliminate all duties and other restrictions on the importation of tropical agricultural and forestry products supplied by friendly less-developed countries under certain conditions; ample safeguards against injury to American industry and agriculture; and trade adjustment assistance to companies, farmers, and workers who suffer damage from increased foreign import competition. Also, the message included the following statement:

"The American farmer has a tremendous stake in expanded trade. One out of every seven farmworker produces for export. The average farmer depends on foreign markets to sell the crops grown on 1 out of every 6

acres he plants. Sixty percent of our rice, 49 percent of our cotton, 45 percent of our wheat, and 42 percent of our soybean production are exported. Agriculture is one of our best sources of foreign exchange.

"Our farmers are particularly dependent upon the markets of Western Europe. Our agricultural trade with that area is 4 to 1 in our favor. The agreements recently reached at Brussels both exhausted our existing authority to obtain further European concessions, and laid the groundwork for future negotiations on American farm exports to be conducted once new authority is granted. But new and flexible authority is required if we are to keep the door of the Common Market open to American agriculture, and open it wider still. If the output of our astounding productivity is not to pile up increasingly in our warehouses, our negotiators will need both the special EEC authority and the general 50-percent authority requested in the bill described later in this message."

Sen. Keating expressed regret that the President did not include "provision for a two-thirds congressional veto in his trade program." p. 750

Sen. Scott commended Sen. Keating's proposal for a congressional veto over foreign trade agreements and inserted an article, "Safeguard Trade." pp. 761-2

2. FORESTRY. Passed as reported S. 1760, to provide for the establishment of the Great Basin National Park in Nevada. The proposed National Park would include approximately 116,000 acres of National Forest land which are presently a part of the Snake Division of the Humboldt National Forest. Also, the bill would eliminate from the Forest and return to public domain status about 55,000 acres located at the south end of the proposed park. pp. 777-85

3. DAIRY INDUSTRY. Sen. Keating stated that it "is reported that the administration will propose a new dairy program which would sharply restrict the amount of milk the individual dairy producer will be permitted to market," and expressed concern over "the impact which such a program would have upon our present reasonable and orderly milk marketing arrangements in the Northeast." pp. 750-1

4. RESEARCH. Sen. Mundt urged that "Congress and the administration devote some attention, pass some legislation and spend some money in trying to expand the demand for farm products by utilizing them industrially and by publicizing their virtues for food and as clothing," and inserted an address by the president of the S. Dak. Stock Growers' Association urging greater efforts to promote the consumption of beef. pp. 760-1

5. WATER RESOURCES. Sen. Anderson urged enactment of the proposed Water Resources Planning Act and announced that the Interior and Insular Affairs Committee will hold a supplemental hearing on the proposal Feb. 16 to hear the views of the Interstate Commission on Water Resources for the Council of State Governments. pp. 762-3

6. BUDGET. Sen. Clark commended the President's budget as "eminently sound," and inserted an article, "Philosophy of the Budget." pp. 813-4

7. LANDS. Began consideration of H. R. 3879, to authorize the Secretary of Agriculture to convey to Wyoming for agricultural purposes the SCS Farson Pilot Farm in Sweetwater County, Wyo. p. 808

8. ADJOURNED until Mon., Jan. 29. p. 817

87TH CONGRESS } HOUSE OF REPRESENTATIVES { DOCUMENT
2d Session } { No. 314

RECIPROCAL TRADE AGREEMENTS PROGRAM

MESSAGE

FROM

THE PRESIDENT OF THE UNITED STATES

RELATIVE TO THE

RECIPROCAL TRADE AGREEMENTS PROGRAM

JANUARY 25, 1962.—Referred to the Committee on Ways and Means and ordered to be printed

To the Congress of the United States:

Twenty-eight years ago our Nation embarked upon a new experiment in international relationships—the reciprocal trade agreements program. Faced with the chaos in world trade that had resulted from the great depression, disillusioned by the failure of the promises that high protective tariffs would generate recovery, and impelled by a desperate need to restore our economy, President Roosevelt asked for authority to negotiate reciprocal tariff reductions with other nations of the world in order to spur our exports and aid our economic recovery and growth.

That landmark measure, guided through Congress by Cordell Hull, has been extended 11 times. It has served our country and the free world well over two decades. The application of this program brought growth and order to the free world trading system. Our total exports, averaging less than $2 billion a year in the 3 years preceding enactment of the law, have now increased to over $20 billion.

On June 30, 1962, the negotiating authority under the last extension of the Trade Agreements Act expires. It must be replaced by a

wholly new instrument. A new American trade initiative is needed to meet the challenges and opportunities of a rapidly changing world economy.

In the brief period since this act was last extended, five fundamentally new and sweeping developments have made obsolete our traditional trade policy:

The growth of the European Common Market—an economy which may soon nearly equal our own, protected by a single external tariff similar to our own—has progressed with such success and momentum that it has surpassed its original timetable, convinced those initially skeptical that there is now no turning back, and laid the groundwork for a radical alteration of the economics of the Atlantic alliance. Almost 90 percent of the free world's industrial production (if the United Kingdom and others successfully complete their negotiations for membership) may soon be concentrated in two great markets—the United States of America and the expanded European Economic Community. A trade policy adequate to negotiate item-by-item tariff reductions with a large number of small independent states will no longer be adequate to assure ready access for ourselves—and for our traditional trading partners in Canada, Japan, Latin America, and elsewhere—to a market nearly as large as our own, whose negotiators can speak with one voice but whose internal differences make it impossible for them to negotiate item by item.

The growing pressures on our balance-of-payments position have, in the past few years, turned a new spotlight on the importance of increasing American exports to strengthen the international position of the dollar and prevent a steady drain of our gold reserves. To maintain our defense, assistance, and other commitments abroad, while expanding the free flow of goods and capital, we must achieve a reasonable equilibrium in our international accounts by offsetting these dollar outlays with dollar sales.

The need to accelerate our own economic growth, following a lagging period of 7 years characterized by three recessions, is more urgent than it has been in years—underlined by the millions of new job opportunities which will have to be found in this decade to provide employment for those already unemployed as well as an increasing flood of younger workers, farmworkers seeking new opportunities, and city workers displaced by technological change.

The Communist aid and trade offensive has also become more apparent in recent years. Soviet bloc trade with 41 non-Communist countries in the less-developed areas of the globe has more than tripled in recent years; and bloc trade missions are busy in nearly every continent attempting to penetrate, encircle, and divide the free world.

The need for new markets for Japan and the developing nations has also been accentuated as never before, both by the prospective impact of the EEC's external tariff and by their own need to acquire new outlets for their raw materials and light manufactures.

To meet these new challenges and opportunities, I am today transmitting to the Congress a new and modern instrument of trade negotiation—the Trade Expansion Act of 1962. As I said in my state of the Union address, its enactment "could well affect the unity of the West, the course of the cold war, and the growth of our Nation for a generation or more to come."

I. The Benefits of Increased Trade

Specifically, enactment of this measure will benefit substantially every State of the Union, every segment of the American economy, and every basic objective of our domestic economy and foreign policy.

Our efforts to expand our economy will be importantly affected by our ability to expand our exports, and particularly upon the ability of our farmers and businessmen to sell to the Common Market. There is arising across the Atlantic a single economic community which may soon have a population half again as big as our own, working and competing together with no more barriers to commerce and investment than exist among our 50 States—in an economy which has been growing roughly twice as fast as ours—representing a purchasing power which will someday equal our own and a living standard growing faster than our own. As its consumer incomes grow, its consumer demands are also growing, particularly for the type of goods that we produce best, which are only now beginning to be widely sold or known in the markets of Europe or in the homes of its middle-income families.

Some 30 percent of our exports—more than $4 billion in industrial goods and materials and nearly $2 billion in agricultural products—already goes to the members and prospective members of the EEC. European manufacturers, however, have increased their share of this rapidly expanding market at a far greater rate than American manufacturers. Unless our industry can maintain and increase its share of this attractive market, there will be further temptation to locate additional American-financed plants in Europe in order to get behind the external tariff wall of the EEC. This would enable the American manufacturer to contend for that vast consumer potential on more competitive terms with his European counterparts but it will also mean a failure on our part to take advantage of this growing market to increase jobs and investment in this country.

A more liberal trade policy will in general benefit our most efficient and expanding industries—industries which have demonstrated their advantage over other world producers by exporting on the average twice as much of their products as we import—industries which have done this while paying the highest wages in our country. Increasing investment and employment in these growth industries will make for a more healthy, efficient, and expanding economy and a still higher American standard of living. Indeed, freer movement of trade between America and the Common Market would bolster the economy of the entire free world, stimulating each nation to do most what it

does best and helping to achieve the OECD target of a 50-percent combined Atlantic Community increase in gross national product by 1970.

Our efforts to prevent inflation will be reinforced by expanded trade. Once given a fair and equal opportunity to compete in oversea markets, and once subject to healthy competition from oversea manufacturers for our own markets, American management and labor will have additional reason to maintain competitive costs and prices, modernize their plants, and increase their productivity. The discipline of the world marketplace is an excellent measure of efficiency and a force to stability. To try to shield American industry from the discipline of foreign competition would isolate our domestic price level from world prices, encourage domestic inflation, reduce our exports still further, and invite less desirable governmental solutions.

Our efforts to correct our adverse balance of payments have in recent years roughly paralleled our ability to increase our export surplus. It is necessary if we are to maintain our security programs abroad—our own military forces overseas plus our contribution to the security and growth of other free countries—to make substantial dollar outlays abroad. These outlays are being held to the minimum necessary, and we are seeking increased sharing from our allies. But they will continue at substantial rates—and this requires us to enlarge the $5 billion export surplus which we presently enjoy from our favorable balance of trade. If that surplus can be enlarged, as exports under our new program rise faster than imports, we can achieve the equilibrium in our balance of payments which is essential to our economic stability and flexibility. If, on the other hand, our surplus should fail to grow, if our exports should be denied ready access to the EEC and other markets, our oversea position would be endangered. Moreover, if we can lower the external tariff wall of the Common Market through negotiation our manufacturers will be under less pressure to locate their plants behind that wall in order to sell in the European market, thus reducing the export of capital funds to Europe.

Our efforts to promote the strength and unity of the West are thus directly related to the strength and unity of Atlantic trade policies. An expanded export program is necessary to give this Nation both the balance-of-payments equilibrium and the economic growth we need to sustain our share of Western military security and economic advance. Equally important, a freer flow of trade across the Atlantic will enable the two giant markets on either side of the ocean to impart strength and vigor to each other, and to combine their resources and momentum to undertake the many enterprises which the security of free peoples demands. For the first time, as the world's greatest trading nation, we can welcome a single partner whose trade is even larger than our own—a partner no longer divided and dependent, but strong enough to share with us the responsibilities and initiatives of the free world.

The Communist bloc, largely self-contained and isolated, represents an economic power already by some standards larger than that of

Western Europe and hoping someday to overtake the United States. But the combined output and purchasing power of the United States and Western Europe—nearly a trillion dollars a year—is more than twice as great as that of the entire Sino-Soviet world. Though we have only half the population, and far less than half the territory, we can pool our resources and resourcefulness in an open trade partnership strong enough to outstrip any challenge, and strong enough to undertake all the many enterprises around the world which the maintenance and progress of freedom require. If we can take this step, Marxist predictions of "capitalist" empires warring over markets and stifling competition would be shattered for all time, Communist hopes for a trade war between these two great economic giants would be frustrated, and Communist efforts to split the West would be doomed to failure.

As members of the Atlantic Community we have concerted our military objectives through the North Atlantic Treaty Organization. We are concerting our monetary and economic policies through the Organization for Economic Cooperation and Development. It is time now to write a new chapter in the evolution of the Atlantic Community. The success of our foreign policy depends in large measure upon the success of our foreign trade, and our maintenance of Western political unity depends in equally large measure upon the degree of Western economic unity. An integrated Western Europe, joined in trading partnership with the United States, will further shift the world balance of power to the side of freedom.

Our efforts to prove the superiority of free choice will thus be advanced immeasurably. We will prove to the world that we believe in peacefully tearing down walls instead of arbitrarily building them. We will be opening new vistas of choice and opportunity to the producers and consumers of the free world. In answer to those who say to the world's poorer countries that economic progress and freedom are no longer compatible, we—who have long boasted about the virtues of the marketplace and of free competitive enterprise, about our ability to compete and sell in any market, and about our willingness to keep abreast of the times—will have our greatest opportunity since the Marshall plan to demonstrate the vitality of free choice.

Communist bloc nations have negotiated more than 200 trade agreements in recent years. Inevitably the recipient nation finds its economy increasingly dependent upon Soviet goods, services, and technicians. But many of these nations have also observed that the economics of free choice provide far greater benefits than the economics of coercion, and the wider we can make the area of economic freedom, the easier we make it for all free peoples to receive the benefits of our innovations and put them into practice.

Our efforts to aid the developing nations of the world and other friends, however, depend upon more than a demonstration of freedom's vitality and benefits. If their economies are to expand, if their new industries are to be successful, if they are to acquire the foreign exchange funds they will need to replace our aid efforts, these nations must find new outlets for their raw materials and new manufactures.

We must make certain that any arrangements which we make with the European Economic Community are worked out in such a fashion as to insure nondiscriminatory application to all third countries. Even more important, however, the United States and Europe together have a joint responsibility to all of the less-developed countries of the world, and in this sense we must work together to insure that their legitimate aspirations and requirements are fulfilled. The "open partnership" which this bill proposes will enable all free nations to share together the rewards of a wider economic choice for all.

Our efforts to maintain the leadership of the free world thus rest, in the final analysis, on our success in this undertaking. Economic isolation and political leadership are wholly incompatible. In the next few years, the nations of Western Europe will be fixing basic economic and trading patterns vitally affecting the future of our economy and the hopes of our less-developed friends. Basic political and military decisions of vital interest to our security will be made. Unless we have this authority to negotiate and have it this year—if we are separated from the Common Market by high tariff barriers on either side of the Atlantic—then we cannot hope to play an effective part in those basic decisions.

If we are to retain our leadership, the initiative is up to us. The revolutionary changes which are occurring will not wait for us to make up our minds. The United States has encouraged sweeping changes in free world economic patterns in order to strengthen the forces of freedom. But we cannot ourselves stand still. If we are to lead, we must act. We must adapt our own economy to the imperatives of a changing world, and once more assert our leadership.

The American businessman, once the authority granted by this bill is exercised, will have a unique opportunity to compete on a more equal basis in a rich and rapidly expanding market abroad which possesses potentially a purchasing power as large and as varied as our own. He knows that, once artificial restraints are removed, a vast array of American goods, produced by American know-how with American efficiency, can compete with any goods in any spot in the world. And almost all members of the business community, in every State, now participate or could participate in the production, processing, transporting, or distribution of either exports or imports.

Already we sell to Western Europe alone more machinery, transportation equipment, chemicals, and coal than our total imports of these commodities from all regions of the world combined. Western Europe is our best customer today, and should be an even better one tomorrow. But as the new external tariff surrounding the Common Market replaces the internal tariff structure, a German producer, who once competed in the markets of France on the same terms with our own producers, will achieve free access to French markets while our own producers face a tariff. In short, in the absence of authority to bargain down that external tariff, as the economy of the Common Market expands, our exports will not expand with it. They may even decline.

The American farmer has a tremendous stake in expanded trade. One out of every seven farmworkers produces for export. The average farmer depends on foreign markets to sell the crops grown on 1 out of every 6 acres he plants. Sixty percent of our rice, 49 percent of our cotton, 45 percent of our wheat, and 42 percent of our soybean production are exported. Agriculture is one of our best sources of foreign exchange.

Our farmers are particularly dependent upon the markets of Western Europe. Our agricultural trade with that area is 4 to 1 in our favor. The agreements recently reached at Brussels both exhausted our existing authority to obtain further European concessions, and laid the groundwork for future negotiations on American farm exports to be conducted once new authority is granted. But new and flexible authority is required if we are to keep the door of the Common Market open to American agriculture, and open it wider still. If the output of our astounding productivity is not to pile up increasingly in our warehouses, our negotiators will need both the special EEC authority and the general 50-percent authority requested in the bill described later in this message.

The American worker will benefit from the expansion of our exports. One out of every three workers engaged in manufacturing is employed in establishments that export. Several hundred times as many workers owe their jobs directly or indirectly to exports as are in the small group—estimated to be less than one-half of 1 percent of all workers—who might be adversely affected by a sharp increase in imports. As the number of jobseekers in our labor force expands in the years ahead, increasing our job opportunities will require expanding our markets and economy, and making certain that new U.S. plants built to serve Common Market consumers are built here, to employ American workers, and not there.

The American consumer benefits most of all from an increase in foreign trade. Imports give him a wider choice of products at competitive prices. They introduce new ideas and new tastes, which often lead to new demands for American production.

Increased imports stimulate our own efforts to increase efficiency, and supplement antitrust and other efforts to assure competition. Many industries of importance to the American consumer and economy are dependent upon imports for raw materials and other supplies. Thus American-made goods can also be made much less expensively for the American consumers if we lower the tariff on the materials that are necessary to their production.

American imports, in short, have generally strengthened rather than weakened our economy. Their competitive benefits have already been mentioned. But about 60 percent of the goods we import do not compete with the goods we produce—either because they are not produced in this country, or are not produced in any significant quantity. They provide us with products we need but cannot efficiently make or grow (such as bananas or coffee), supplement our own steadily depleting natural resources with items not available here in

quantity (such as manganese or chrome ore, 90 percent or more of which must be imported if our steel mills are to operate), and contribute to our industrial efficiency, our economic growth, and our high level of consumption. Those imports that do compete are equal to only 1 or 1½ percent of our total national production; and even these imports create jobs directly for those engaged in their processing, distribution, or transportation, and indirectly for those employed in both export industries and in those industries dependent upon reasonably priced imported supplies for their own ability to compete.

Moreover, we must reduce our own tariffs if we hope to reduce tariffs abroad and thereby increase our exports and export surplus. There are many more American jobs dependent upon exports than could possibly be adversely affected by increased imports. And those export industries are our strongest, most efficient, highest paying growth industries.

It is obvious, therefore, that the warnings against increased imports based upon the lower level of wages paid in other countries are not telling the whole story. For this fear is refuted by the fact that American industry in general, and America's highest paid industries in particular, export more goods to other markets than any other nation; sell far more abroad to other countries than they sell to us; and command the vast preponderance of our own market here in the United States. There are three reasons for this:

(*a*) The skill and efficiency of American workers, with the help of our machinery and technology, can produce more units per man-hour than any other workers in the world, thus making the competitive cost of our labor for many products far less than it is in countries with lower wage rates. For example, while a United States coal miner is paid 8 times as much per hour as the Japanese miner, he produces 14 times as much coal—our real cost per ton of coal is thus far smaller—and we sell the Japanese tens of millions of dollars worth of coal each year.

(*b*) Our best industries also possess other advantages—the adequacy of low-cost raw materials or electrical power, for example. Neither wages nor total labor costs is an adequate standard of comparison if used alone.

(*c*) American products can frequently compete successfully even where foreign prices are somewhat lower by virtue of their superior quality, style, packaging, servicing, or assurance of delivery.

Given this strength, accompanied by increasing productivity and wages in the rest of the world, there is less need to be concerned over the level of wages in the low-wage countries. These levels, moreover, are already on the rise, and, we would hope, will continue to narrow the current wage gap, encouraged by appropriate consultations on an international basis.

This philosophy of the free market—the wider economic choice for men and nations—is as old as freedom itself. It is not a partisan philosophy. For many years our trade legislation has enjoyed bi-

partisan backing from those members of both parties who recognized how essential trade is to our basic security abroad and our economic health at home. This is even more true today. The Trade Expansion Act of 1962 is designed as the expression of a nation, not of any single faction, not of any single faction or section. It is in that spirit that I recommend it to the Congress for prompt and favorable action.

II. Provisions of the Bill

New negotiating authority.—To achieve all of the goals and gains set forth above—to empower our negotiators with sufficient authority to induce the EEC to grant wider access to our goods and crops and fair treatment to those of Latin America, Japan, and other countries, and to be ready to talk trade with the Common Market in practical terms—it is essential that our bargaining authority be increased in both flexibility and extent. I am therefore requesting two basic kinds of authority to be exercised over the next 5 years:

First, a general authority, to reduce existing tariffs by 50 percent in reciprocal negotiations. It would be our intention to employ a variety of techniques in exercising this authority, including negotiations on broad categories or subcategories of products.

Secondly, a special authority, to be used in negotiating with the EEC, to reduce or eliminate all tariffs on those groups of products where the United States and the EEC together account for 80 percent or more of world trade in a representative period. The fact that these groups of products fall within this special or "dominant supplier" authority is proof that they can be produced here or in Europe more efficiently than anywhere else in the world. They include most of the products which the members of the Common Market are especially interested in trading with us, and most of the products for which we want freer access to the Common Market; and to a considerable extent they are items in which our own ability to compete is demonstrated by the fact that our exports of these items are substantially greater than our imports. They account for nearly $2 billion of our total industrial exports to present and prospective Common Market members in 1960, and for about $1.4 billion of our imports from these countries. In short, this special authority will enable us to negotiate for a dramatic agreement with the Common Market that will pool our economic strength for the advancement of freedom.

To be effective in achieving a breakthrough agreement with the EEC so that our farmers, manufacturers, and other free world trading partners can participate, we will need to use both the dominant supplier authority and the general authority in combination. Reductions would be put into effect gradually in stages over 5 years or more. But the traditional technique of trading one brick at a time off our respective tariff walls will not suffice to assure American farm and factory exports the kind of access to the European market which they must have if trade between the two Atlantic markets is to expand. We must talk instead in terms of trading whole layers at a time in exchange for other layers, as the Europeans have been doing in

reducing their internal tariffs, permitting the forces of competition to set new trade patterns. Trading in such an enlarged basis is not possible, the EEC has found, if traditional item-by-item economic histories are to dominate. But let me emphasize that we mean to see to it that all reductions and concessions are reciprocal, and that the access we gain is not limited by the use of quotas or other restrictive devices.

Safeguarding interests of other trading partners.—In our negotiations with the Common Market, we will preserve our traditional most-favored-nation principle under which any tariff concessions negotiated will be generalized to our other trading partners. Obviously, in special authority agreements where the United States and the EEC are the dominant suppliers, the participation of other nations often would not be significant. On other items, where justified, compensating concessions from other interested countries should be obtained as part of the negotiations. But in essence we must strive for a nondiscriminatory trade partnership with the EEC. If it succeeds only in splintering the free world, or increasing the disparity between rich and poor nations, it will have failed to achieve one of its major purposes. The negotiating authority under this bill will thus be used to strengthen the ties of both "Common Markets" with, and expand our own trade in, the Latin American Republics, Canada, Japan, and other non-European nations—as well as helping them maximize their opportunities to trade with the Common Market.

The bill also requests special authority to reduce or eliminate all duties and other restrictions on the importation of tropical agricultural and forestry products supplied by friendly less-developed countries and not produced here in any significant quantity, if our action is taken in concert with similar action by the Common Market. These tropical products are the staple exports of many less-developed countries. Their efforts for economic development and diversification must be advanced out of earnings from these products. By assuring them as large a market as possible, we are bringing closer the day when they will be able to finance their own development needs on a self-sustaining basis.

Safeguards to American industry.—If the authority requested in this act is used, imports as well as exports will increase; and this increase will, in the overwhelming number of cases, be beneficial for the reasons outlined above. Nevertheless ample safeguards against injury to American industry and agriculture will be retained. Escape-clause relief will continue to be available with more up-to-date definitions. Temporary tariff relief will be granted where essential. The power to impose duties or suspend concessions to protect the national security will be retained. Articles will be reserved from negotiations whenever such action is deemed to be in the best interest of the Nation and the economy. And the four basic stages of the traditional peril point procedures and safeguards will be retained and improved:

the President will refer to the Tariff Commission the list of proposed items for negotiations;

the Tariff Commission will conduct hearings to determine the effect of concessions on these products;

the Commission will make a report to the President, specifically based, as such reports are based now, upon its findings of how new imports might lead to the idling of productive facilities, the inability of domestic producers to operate at a profit, and the unemployment of workers as the result of anticipated reductions in duties; and

the President will report to the Congress on his action after completion of the negotiations. The present arrangements will be substantially improved, however, since both the Tariff Commission recommendation and the President's report would be broader than a bare determination of specific peril points; and this should enable us to make much more informed use of these recommendations than has been true in the past.

Trade adjustment assistance.—I am also recommending as an essential part of the new trade program that companies, farmers, and workers who suffer damage from increased foreign import competition be assisted in their efforts to adjust to that competition. When considerations of national policy make it desirable to avoid higher tariffs, those injured by that competition should not be required to bear the full brunt of the impact. Rather, the burden of economic adjustment should be borne in part by the Federal Government.

Under existing law, the only alternatives available to the President are the imposition or refusal of tariff relief. These alternatives should continue to be available.

The legislation I am proposing, however, provides an additional alternative called trade adjustment assistance. This alternative will permit the executive branch to make extensive use of its facilities, programs, and resources to provide special assistance to farmers, firms and their employees in making the economic readjustments necessitated by the imports resulting from tariff concessions.

Any worker or group of workers unemployed or underemployed as a result of increased imports would, under this bill, be eligible for the following forms of assistance:

1. Readjustment allowances providing as much as 65 percent of the individual's average weekly wage for up to 52 weeks for all workers, and for as many as 13 additional weeks for workers over 60, with unemployment insurance benefits deducted from such allowances to the extent available;

2. Vocational education and training assistance to develop higher and different skills;

3. Financial assistance for those who cannot find work in their present community to relocate to a different place in the United States where suitable employment is available.

For a businessman or farmer adversely affected by imports, there should be available—

1. Technical information, advice, and consultation to help plan and implement an attack on the problem;

2. Tax benefits to encourage modernization and diversification;
3. Loan guarantees and loans otherwise not commercially available to aid modernization and diversification.

Just as the Federal Government has assisted in personal readjustments made necessary by military service, just as the Federal Government met its obligation to assist industry in adjusting to war production and again to return to peacetime production, so there is an obligation to render assistance to those who suffer as a result of national trade policy. Such a program will supplement and work in coordination with, not duplicate, what we are already doing or proposing to do for depressed areas, for small business, for investment incentives, and for the retraining and compensation of our unemployed workers.

This cannot be and will not be a subsidy program of Government paternalism. It is instead a program to afford time for American initiative, American adaptability, and American resiliency to assert themselves. It is consistent with that part of the proposed law which would stage tariff reductions over a 5-year period. Accordingly, trade adjustment assistance, like the other provisions of the Trade Expansion Act of 1962, is designed to strengthen the efficiency of our economy, not to protect inefficiencies.

Authority to grant temporary tariff relief will remain available to assist those industries injured by a sudden influx of goods under revised tariffs. But the accent is on "adjustment" more than "assistance." Through trade adjustment prompt and effective help can be given to those suffering genuine hardship in adjusting to import competition, moving men and resources out of uneconomic production into efficient production and competitive positions, and in the process preserving the employment relationships between firms and workers wherever possible. Unlike tariff relief, this assistance can be tailored to their individual needs without disrupting other policies. Experience with a similar kind of program in the Common Market, and in the face of more extensive tariff reductions than we propose here, testifies to the effective but relatively inexpensive nature of this approach. For most affected firms will find that the adjustment involved is no more than the adjustment they face every year or few years as the result of changes in the economy, consumer taste, or domestic competition.

The purpose of this message has been to describe the challenge we face and the tools we need. The decision rests with the Congress. That decision will either mark the beginning of a new chapter in the alliance of free nations, or a threat to the growth of Western unity. The two great Atlantic markets will either grow together or they will grow apart. The meaning and range of free economic choice will either be widened for the benefit of freemen everywhere or confused and constricted by new barriers and delays.

Last year, in enacting a long-term foreign-aid program, the Congress made possible a fundamental change in our relations with the developing nations. This bill will make possible a fundamental, far-reaching, and unique change in our relations with the other industrialized

nations, particularly with the other members of the Atlantic community. As NATO was unprecedented in military history, this measure is unprecedented in economic history. But its passage will be long remembered and its benefits widely distributed among those who work for freedom.

At rare moments in the life of this Nation an opportunity comes along to fashion out of the confusion of current events a clear and bold action to show the world what it is we stand for. Such an opportunity is before us now. This bill, by enabling us to strike a bargain with the Common Market, will "strike a blow" for freedom.

JOHN F KENNEDY.

THE WHITE HOUSE, *January 25, 1962.*

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Mr. Gizenga requested the plane. The United Nations said his departure depended on an agreement with the authorities of Eastern Province, who have started legal proceedings against Mr. Gizenga.

The United Nations reported that factional clashes had broken out between Congolese soldiers in the North Katanga town of Albertville.

The United Nations said that the commander of the troops and 5 officers had been placed under United Nations protection and would be flown to General Lundula in Stanleyville.

The spokesman added that the trouble apparently started after the commander ordered 5 of his men shot. The 5 soldiers were part of a group of 50 men arrested earlier in Kabalo for rebellious behavior.

The troops at Albertville, at Kongolo, and at Kindu were among those who left Stanleyville last year for an invasion of Katanga Province. They have caused disturbances in virtually every town in the area. While General Lundula was their nominal commander, the troops at Kindu and Kongolo were considered to be more loyal to Colonel Pakassa.

[Excerpts from the New York Times, Jan. 22, 1962]

KATANGA REPORTS VILLAGES BURNED—CENTRAL GOVERNMENT REBELS BLAMED IN NEW ATTACKS

ELISABETHVILLE, THE CONGO, January 21.—The secessionist Katanga Government reported today that central Congolese troops had entered central Katanga, burned villages and massacred women and children.

The assertion was made in a communique signed by President Moise Tshombe. It said the troops had gone into the district of Kilwa, about 250 miles from Elisabethville, where they were repulsed by Katangese police troops.

In a veiled reference to the United Nations, the communique said the Katanga Government held responsible for the alleged massacres "those who facilitated the entrance to Katanga and Premier Cyrille Adoula, who called this a police action."

Travelers arriving in Elisabethville from the north said central Congo troops were invading the territory in patrol strength but did not occupy the areas affected.

GENERAL CURBS VIOLENCE

Gen. Victor Lundula, commander of the Congolese troops in Eastern Province, is nominally in command of rebellious troops believed responsible for recent massacres. The general has been cooperating with the central government in an effort to prevent new violence.

On January 1, Congolese rebels murdered 19 Roman Catholic priests and workers at Kongolo, 20 miles south of Sola. At Sola, 13 priests and nuns were missing from a mission station that was attacked and burned by rebel Congolese troops. It is believed they may have escaped.

General Lundula went to Kongolo to investigate and arrested Col. Alphonse Pakassa, commander of the troops at Kongolo and Kindu. It was at Kindu that 13 Italian airmen were slain November 11.

PRIESTS MAY HAVE FLED

LEOPOLDVILLE, THE CONGO, January 21.—Bishop Richard Cleire of Kasongo, in Kivu Province, said here it was possible that the six priests and seven nuns at the Roman Catholic mission station at Sola had managed to flee before the station was overrun by rebel Congolese troops.

But a Katanga Government communique issued in Elisabethville said the rebel soldiers were continuing their pillaging and killing in northern Katanga.

The communique gave no figures for the number of dead, but said an entire jungle area called Kiona-Ngoy had been overrun, with men, women, and children massacred and houses destroyed.

Usually reliable sources in Elisabethville said two rebel Congolese army companies left Kongolo Friday to attack a mission and village at Bulula, 20 miles east of Kongolo.

Northern Katanga was left without United Nations troops when fighting broke out in Elisabethville in early December. The rebel Congolese drifted in from Eastern and Kivu Provinces.

Bishop Cleire said there were usually two cars at the mission in Sola. The priests and nuns could have escaped to Albertville on Lake Tanjanyika, he said.

"But we have no confirmation that they left or arrived in Albertville," the bishop said. "All we can do now is hope that after the New Year's Day massacre (in Kongolo) they took heed and left. They may also have left earlier when told about the advance of the troops."

REBEL TROOPS HOLD MISSION

LEOPOLDVILLE, January 21.—The United Nations said today that the Roman Catholic mission at Sola was apparently occupied by Congolese troops.

A United Nations spokesman said two Indian Canberra jets flew over Sola today and the pilots reported that the mission and college appeared to be in the hands of Congolese troops.

In addition to the staff of nuns and priests at the mission, about 40 teenage African girls attended a teachers' training college here.

[Excerpt From the Washington Post, Oct. 30, 1961]

LIFTING OF KATANGAN'S VISA SCORED BY ACLU

The American Civil Liberties Union said yesterday that the cancellation by the United States of the visa of the director of the Katanga Information Service was a clear infringement of free speech and due process of law.

In a letter to Secretary of State Dean Rusk, Patrick Murphy Malin, executive director of ACLU, urged that the cancellation be rescinded or that the information service director, Michael Struelens, be granted a new visa.

Struelens' visa was invalidated on October 4 "on the ground that he had entered the United States as a newspaperman and not as an information officer," ACLU said.

Malin said that when Struelens first obtained a visa in Brussels in 1960 and that when he had it renewed in Brazzaville last August "the American consuls, in their own handwriting, wrote that Mr. Struelens was coming to the United States as director of the Katanga Information Service."

Malin also said that Struelens was treated unfairly when he was requested to appear at the New York office of the Immigration and Naturalization Service on October 4.

An ACLU investigation showed, Malin said, that Struelens went to the office in response to a request from officials who said that they wanted to look at his visa.

But, Malin went on to say, "when Mr. Struelens appeared, the visa was invalidated, without any statement specifying the reasons for the action or giving him an opportunity to defend himself."

Immigration regulations provide that "if practicable" a person "be notified of the proposed action and given an opportunity to show cause why his visa should not be revoked or invalidated."

"We are also concerned," Malin added, "about the impact of the State Department's action on the vital first amendment principle of freedom of speech."

Malin said that Struelens' visa was canceled after Members of Congress and other public figures had used material supplied by the Katanga Information Service as a basis for criticism of United Nations policies in the Congo.

In his letter Malin declared that "the definite impression has been created that the visa was revoked because of the information and opinion presented by Mr. Struelens."

"Unless this impression is corrected," Malin added, "the State Department faces the charge of censorship."

Katanga is one of the Congo provinces that sought to remain independent from a Central Congolese Government. Belgian investments in Katanga are heavy. It has been frequently charged that Belgium still controls Katanga, although it and the rest of the Congo have been nominally independent for more than a year.

RECIPROCAL TRADE AGREEMENTS PROGRAM—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 314)

The PRESIDING OFFICER (Mr. BURDICK in the chair) laid before the Senate a message from the President of the United States, relating to the reciprocal trade agreements program.

Mr. HUMPHREY. Mr. President, I am informed that the message on trade negotiations has been read in the House. I therefore ask unanimous consent that it be printed in the RECORD without having been read, and appropriately referred.

The PRESIDING OFFICER. Without objection, it is so ordered.

The message was referred to the Committee on Finance, as follows:

To the Congress of the United States:

Twenty-eight years ago our Nation embarked upon a new experiment in international relationships—the reciprocal trade agreements program. Faced with the chaos in world trade that had resulted from the great depression, disillusioned by the failure of the promises that high protective tariffs would generate recovery, and impelled by a desperate need to restore our economy, President Roosevelt asked for authority to negotiate reciprocal tariff reductions with other nations of the world in order to spur our exports and aid our economic recovery and growth.

That landmark measure, guided through Congress by Cordell Hull, has been extended 11 times. It has served our country and the free world well over two decades. The application of this program brought growth and order to the free world trading system. Our total exports, averaging less than $2 billion a year in the 3 years preceding enactment of the law, have now increased to over $20 billion.

On June 30, 1962, the negotiating authority under the last extension of the Trade Agreements Act expires. It must be replaced by a wholly new instrument. A new American trade initiative is needed to meet the challenges and opportunities of a rapidly changing world economy.

In the brief period since this act was last extended, five fundamentally new and sweeping developments have made obsolete our traditional trade policy:

The growth of the European Common Market—an economy which may soon nearly equal our own, protected by a single external tariff similar to our own—has progressed with such success and momentum that it has surpassed its original timetable, convinced those initially skeptical that there is now no turning back and laid the groundwork for a radical alteration of the economics of the Atlantic alliance. Almost 90 percent of the free world's industrial production (if the United Kingdom and others successfully complete their negotiations for membership) may soon be concentrated in two great markets—the United States of America and the expanded European Economic Community. A trade policy adequate to negotiate item by item tariff reductions with a large number of small independent states will no longer be adequate to assure ready access for ourselves—and for our traditional trading partners in Canada, Japan, Latin America, and elsewhere—to a market nearly as large as our own, whose negotiators can speak with one voice but whose internal differences make it impossible for them to negotiate item by item.

The growing pressures on our balance-of-payments positions have, in the past few years, turned a new spotlight on the importance of increasing American exports to strengthen the international position of the dollar and prevent a steady drain of our gold reserves. To maintain our defense, assistance and other commitments abroad, while expanding the free flow of goods and capital, we must achieve a reasonable equilibrium in our international accounts by offsetting these dollar outlays with dollar sales.

The need to accelerate our own economic growth, following a lagging period of 7 years characterized by three recessions, is more urgent than it has been in years—underlined by the millions of new job opportunities which will have to be found in this decade to provide employment for those already unemployed as well as an increasing flood of younger workers, farm workers seeking new opportunities, and city workers displaced by technological change.

The Communist aid and trade offensive has also become more apparent in recent years. Soviet bloc trade with 41 non-Communist countries in the less-developed areas of the globe has more than tripled in recent years; and bloc trade missions are busy in nearly every continent attempting to penetrate, encircle, and divide the free world.

The need for new markets for Japan and the developing nations has also been accentuated as never before—both by the prospective impact of the EEC's external tariff and by their own need to acquire new outlets for their raw materials and light manufactures.

To meet these new challenges and opportunities, I am today transmitting to the Congress a new and modern instrument of trade negotiation—the Trade Expansion Act of 1962. As I said in my state of the Union address, its enactment "could well affect the unity of the West, the course of the cold war and the growth of our Nation for a generation or more to come."

I. THE BENEFITS OF INCREASED TRADE

Specifically, enactment of this measure will benefit substantially every State of the Union, every segment of the American economy, and every basic objective of our domestic economy and foreign policy.

Our efforts to expand our economy will be importantly affected by our ability to expand our exports—and particularly upon the ability of our farmers and businessmen to sell to the Common Market. There is arising across the Atlantic a single economic community which may soon have a population half again as big as our own, working and competing together with no more barriers to commerce and investment than exist among our 50 States—in an economy which has been growing roughly twice as fast as ours—representing a purchasing power which will someday equal our own and a living standard growing faster than our own. As its consumer incomes grow, its consumer demands are also growing, particularly for the type of goods that we produce best, which are only now beginning to be widely sold or known in the markets of Europe or in the homes of its middle-income families.

Some 30 percent of our exports—more than $4 billion in industrial goods and materials and nearly $2 billion in agricultural products—already goes to the members and prospective members of the EEC. European manufacturers, however, have increased their share of this rapidly expanding market at a far greater rate than American manufacturers. Unless our industry can maintain and increase its share of this attractive market, there will be further temptation to locate additional American-financed plants in Europe in order to get behind the external tariff wall of the EEC. This would enable the American manufacturer to contend for that vast consumer potential on more competitive terms with his European counterparts; but it will also mean a failure on our part to take advantage of this growing market to increase jobs and investment in this country.

A more liberal trade policy will in general benefit our most efficient and expanding industries—industries which have demonstrated their advantage over other world producers by exporting on the average twice as much of their products as we import—industries which have done this while paying the highest wages in our country. Increasing investment and employment in these growth industries will make for a more healthy, efficient and expanding economy and a still higher American standard of living. Indeed, freer movement of trade between America and the Common Market would bolster the economy of the entire free world, stimulating each nation to do most what it does best and helping to achieve the OECD target of a 50-percent combined Atlantic community increase in gross national product by 1970.

Our efforts to prevent inflation will be reinforced by expanded trade. Once given a fair and equal opportunity to compete in oversea markets, and once subject to healthy competition from oversea manufacturers for our own markets, American management and labor will have additional reason to maintain competitive costs and prices, modernize their plants, and increase their productivity. The discipline of the world marketplace is an excellent measure of efficiency and a force to stability. To try to shield American industry from the discipline of foreign competition would isolate our domestic price level from world prices, encourage domestic inflation, reduce our exports still further, and invite less desirable governmental solutions.

Our efforts to correct our adverse balance of payments have in recent years roughly paralleled our ability to increase our export surplus. It is necessary if we are to maintain our security programs abroad—our own military forces overseas plus our contribution to the security and growth of other free countries—to make substantial dollar outlays abroad. These outlays are being held to the minimum necessary, and we are seeking increased sharing for our allies. But they will continue at substantial rates—and this requires us to enlarge the $5 billion export surplus which we presently enjoy from our favorable balance of trade. If that surplus can be enlarged, as exports under our new program rise faster than imports, we can achieve the equilibrium in our balance of payments which is essential to our economic stability and flexibility. If, on the other hand, our surplus should fail to grow, if our exports should be denied ready access to the EEC and other markets—our oversea position would be endangered. Moreover, if we can lower the external tariff wall of the Common Market through negotiation our manufacturers will be under less pressure to locate their plants behind that wall in order to sell in the European market, thus reducing the export of capital funds to Europe.

Our effort to promote the strength and unity of the West are thus directly related to the strength and unity of Atlantic trade policies. An expanded export program is necessary to give this Nation both the balance-of-payments equilibrium and the economic growth we need to sustain our share of Western military security and economic advance. Equally important, a freer flow of trade across the Atlantic will enable the two giant markets on either side of the ocean to impart strength and vigor to each other, and to combine their resources and momentum to undertake the many enterprises which the security of free peoples demands. For the first time, as the world's greatest trading nation, we can welcome a single partner whose trade is even larger than our own—a partner no longer divided and dependent, but strong enough to share with us the responsibilities and initiatives of the free world.

The Communist bloc, largely self-contained and isolated, represents an

economic power already by some standards larger than that of Western Europe and hoping someday to overtake the United States. But the combined output and purchasing power of the United States and Western Europe—nearly a trillion dollars a year—is more than twice as great as that of the entire Sino-Soviet world. Though we have only half the population, and far less than half the territory, we can pool our resources and resourcefulness in an open trade partnership strong enough to outstrip any challenge, and strong enough to undertake all the many enterprises around the world which the maintenance and progress of freedom require. If we can take this step, Marxist predictions of "capitalist" empires warring over markets and stifling competition would be shattered for all times—Communist hopes for a trade war between these two great economic giants would be frustrated—and Communist efforts to split the west would be doomed to failure.

As members of the Atlantic community we have concerted our military objectives through the North Atlantic Treaty Organization. We are concerting our monetary and economic policies through the Organization for Economic Cooperation and Development. It is time now to write a new chapter in the evolution of the Atlantic community. The success of our foreign policy depends in large measure upon the success of our foreign trade, and our maintenance of Western political unity depends in equally large measure upon the degree of Western economic unity. An integrated Western Europe, joined in trading partnership with the United States, will further shift the world balance of power to the side of freedom.

Our efforts to prove the superiority of free choice will thus be advanced immeasurably. We will prove to the world that we believe in peacefully "tearing down walls" instead of arbitrarily building them. We will be opening new vistas of choice and opportunity to the producers and consumers of the free world. In answer to those who say to the world's poorer countries that economic progress and freedom are no longer compatible, we—who have long boasted about the virtues of the marketplace and of free competitive enterprise, about our ability to compete and sell in any market, and about our willingness to keep abreast of the times—will have our greatest opportunity since the Marshall plan to demonstrate the vitality of free choice.

Communist bloc nations have negotiated more than 200 trade agreements in recent years. Inevitably the recipient nation finds its economy increasingly dependent upon Soviet goods, services and technicians. But many of these nations have also observed that the economics of free choice provide far greater benefits than the economics of coercion—and the wider we can make the area of economic freedom, the easier we make it for all free peoples to receive the benefits of our innovations and put them into practice.

Our efforts to aid the developing nations of the world and other friends, however, depend upon more than a demonstration of freedom's vitality and benefits. If their economies are to expand, if their new industries are to be successful, if they are to acquire the foreign exchange funds they will need to replace our aid efforts, these nations must find new outlets for their raw materials and new manufactures. We must make certain that any arrangements which we make with the European Economic Community are worked out in such a fashion as to insure nondiscriminatory application to all third countries. Even more important, however, the United States and Europe together have a joint responsibility to all of the less-developed countries of the world—and in this sense we must work together to insure that their legitimate aspirations and requirements are fulfilled. The "open partnership" which this bill proposes will enable all free nations to share together the rewards of a wider economic choice for all.

Our efforts to maintain the leadership of the free world thus rest, in the final analysis, on our success in this undertaking. Economic isolation and political leadership are wholly incompatible. In the next few years, the nations of Western Europe will be fixing basic economic and trading patterns vitally affecting the future of our economy and the hopes of our less-developed friends. Basic political and military decisions of vital interest to our security will be made. Unless we have this authority to negotiate and have it this year—if we are separated from the Common Market by high tariff barriers on either side of the Atlantic—then we cannot hope to play an effective part in those basic decisions.

If we are to retain our leadership, the initiative is up to us. The revolutionary changes which are occurring will not wait for us to make up our minds. The United States has encouraged sweeping changes in free world economic patterns in order to strengthen the forces of freedom. But we cannot ourselves stand still. If we are to lead, we must act. We must adapt our own economy to the imperatives of a changing world, and once more assert our leadership.

The American businessman, once the authority granted by this bill is exercised, will have a unique opportunity to compete on a more equal basis in a rich and rapidly expanding market abroad which possesses potentially a purchasing power as large and as varied as our own. He knows that, once artificial restraints are removed, a vast array of American goods, produced by American know-how with American efficiency, can compete with any goods in any spot in the world. And almost all members of the business community, in every State, now participate or could participate in the production, processing, transporting, or distribution of either exports or imports.

Already we sell to Western Europe alone more machinery, transportation equipment, chemicals, and coal than our total imports of these commodities from all regions of the world combined. Western Europe is our best customer today—and should be an even better one tomorrow. But as the new external tariff surrounding the Common Market replaces the internal tariff structure, a German producer—who once competed in the markets of France on the same terms with our own producers—will achieve free access to French markets while our own producers face a tariff. In short, in the absence of authority to bargain down that external tariff, as the economy of the Common Market expands, our exports will not expand with it. They may even decline.

The American farmer has a tremendous stake in expanded trade. One out of every seven farmworker produces for export. The average farmer depends on foreign markets to sell the crops grown on 1 out of every 6 acres he plants. Sixty percent of our rice, 49 percent of our cotton, 45 percent of our wheat, and 42 percent of our soybean production are exported. Agriculture is one of our best sources of foreign exchange.

Our farmers are particularly dependent upon the markets of Western Europe. Our agricultural trade with that area is 4 to 1 in our favor. The agreements recently reached at Brussels both exhausted our existing authority to obtain further European concessions, and laid the groundwork for future negotiations on American farm exports to be conducted once new authority is granted. But new and flexible authority is required if we are to keep the door of the Common Market open to American agriculture, and open it wider still. If the output of our astounding productivity is not to pile up increasingly in our warehouses, our negotiators will need both the special EEC authority and the general 50-percent authority requested in the bill described later in this message.

The American worker will benefit from the expansion of our exports. One out of every 3 workers engaged in manufacturing is employed in establishments that export. Several hundred times as many workers owe their jobs directly or indirectly to exports as are in the small group—estimated to be less than one-half of 1 percent of all workers—who might be adversely affected by a sharp increase in imports. As the number of job seekers in our labor force expands in the years ahead, increasing our job opportunities will require expanding our markets and economy, and making certain that new U.S. plants built to serve Common Market consumers are built here, to employ American workers, and not there.

The American consumer benefits most of all from an increase in foreign trade. Imports give him a wider choice of products at competitive prices. They introduce new ideas and new tastes, which often lead to new demands for American production.

Increased imports stimulate our own efforts to increase efficiency, and supplement antitrust and other efforts to assure competition. Many industries of importance to the American consumer and economy are dependent upon imports for raw materials and other supplies. Thus American-made goods can also be made much less expensively for the American consumers if we lower the

tariff on the materials that are necessary to their production.

American imports, in short, have generally strengthened rather than weakened our economy. Their competitive benefits have already been mentioned. But about 60 percent of the goods we import do not compete with the goods we produce—either because they are not produced in this country, or are not produced in any significant quantity. They provide us with products we need but cannot efficiently make or grow (such as bananas or coffee), supplement our own steadily depleting natural resources with items not available here in quantity (such as manganese or chrome ore, 90 percent or more of which must be imported if our steel mills are to operate), and contribute to our industrial efficiency, our economic growth, and our high level of consumption. Those imports that do compete are equal to only 1 or 1½ percent of our total national production; and even these imports create jobs directly for those engaged in their processing, distribution, or transportation, and indirectly for those employed in both export industries and in those industries dependent upon reasonably priced imported supplies for their own ability to compete.

Moreover, we must reduce our own tariffs if we hope to reduce tariffs abroad and thereby increase our exports and export surplus. There are many more American jobs dependent upon exports than could possibly be adversely affected by increased imports. And those export industries are our strongest, most efficient, highest paying growth industries.

It is obvious, therefore, that the warnings against increased imports based upon the lower level of wages paid in other countries are not telling the whole story. For this fear is refuted by the fact that American industry in general—and America's highest paid industries in particular—export more goods to other markets than any other nation; sell far more abroad to other countries than they sell to us; and command the vast preponderance of our own market here in the United States. There are three reasons for this:

(a) The skill and efficiency of American workers, with the help of our machinery and technology, can produce more units per man-hour than any other workers in the world—thus making the competitive cost of our labor for many products far less than it is in countries with lower wage rates. For example, while a U.S. coal miner is paid 8 times as much per hour as the Japanese miner, he produces 14 times as much coal—our real cost per ton of coal is thus far smaller—and we sell the Japanese tens of millions of dollars worth of coal each year.

(b) Our best industries also possess other advantages—the adequacy of low-cost raw materials or electrical power, for example. Neither wages nor total labor costs is an adequate standard of comparison if used alone.

(c) American products can frequently compete successfully even where foreign prices are somewhat lower—by virtue of their superior quality, style, packaging, servicing, or assurance of delivery.

Given this strength, accompanied by increasing productivity and wages in the rest of the world, there is less need to be concerned over the level of wages in the low-wage countries. These levels, moreover, are already on the rise and, we would hope, will continue to narrow the current wage gap, encouraged by appropriate consultations on an international basis.

This philosophy of the free market—the wider economic choice for men and nations—is as old as freedom itself. It is not a partisan philosophy. For many years our trade legislation has enjoyed bipartisan backing from those members of both parties who recognized how essential trade is to our basic security abroad and our economic health at home. This is even more true today. The Trade Expansion Act of 1962 is designed as the expression of a nation, not of any single faction, not of any single faction or section. It is in that spirit that I recommend it to the Congress for prompt and favorable action.

II. PROVISIONS OF THE BILL

New negotiating authority: To achieve all of the goals and gains set forth above—to empower our negotiators with sufficient authority to induce the EEC to grant wider access to our goods and crops and fair treatment to those of Latin America, Japan, and other countries—and to be ready to talk trade with the Common Market in practical terms—it is essential that our bargaining authority be increased in both flexibility and extent. I am therefore requesting two basic kinds of authority to be exercised over the next 5 years:

First, a general authority to reduce existing tariffs by 50 percent in reciprocal negotiations. It would be our intention to employ a variety of techniques in exercising this authority, including negotiations on broad categories or subcategories of products.

Second, a special authority to be used in negotiating with the EEC, to reduce or eliminate all tariffs on those groups of products where the United States and the EEC together account for 80 percent or more of world trade in a representative period. The fact that these groups of products fall within this special or dominant supplier authority is proof that they can be produced here or in Europe more efficiently than anywhere else in the world. They include most of the products which the members of the Common Market are especially interested in trading with us, and most of the products for which we want freer access to the Common Market; and to a considerable extent they are items in which our own ability to compete is demonstrated by the fact that our exports of these items are substantially greater than our imports. They account for nearly $2 billion of our total industrial exports to present and prospective Common Market members in 1960, and for about $1.4 billion of our imports from these countries. In short, this special authority will enable us to negotiate for a dramatic agreement with the Common Market that will pool our economic strength for the advancement of freedom.

To be effective in achieving a breakthrough agreement with the EEC so that our farmers, manufacturers, and other free world trading partners can participate, we will need to use both the dominant supplier authority and the general authority in combination. Reductions would be put into effect gradually in stages over 5 years or more. But the traditional technique of trading one brick at a time off our respective tariff walls will not suffice to assure American farm and factory exports the kind of access to the European market which they must have if trade between the two Atlantic markets is to expand. We must talk instead in terms of trading whole layers at a time in exchange for other layers, as the Europeans have been doing in reducing their internal tariffs, permitting the forces of competition to set new trade patterns. Trading in such an enlarged basis is not possible, the EEC has found, if traditional item-by-item economic histories are to dominate. But let me emphasize that we mean to see to it that all reductions and concessions are reciprocal—and that the access we gain is not limited by the use of quotas or other restrictive devices.

Safeguarding interests of other trading partners: In our negotiations with the Common Market, we will preserve our traditional most-favored-nation principle under which any tariff concessions negotiated will be generalized to our other trading partners. Obviously, in special authority agreements where the United States and the EEC are the dominant suppliers, the participation of other nations often would not be significant. On other items, where justified, compensating concessions from other interested countries should be obtained as part of the negotiations. But in essence we must strive for a nondiscriminatory trade partnership with the EEC. If it succeeds only in splintering the free world, or increasing the disparity between rich and poor nations, it will have failed to achieve one of its major purposes. The negotiating authority under this bill will thus be used to strengthen the ties of both Common Markets with, and expand our own trade in, the Latin American republics, Canada, Japan, and other non-European nations—as well as helping them maximize their opportunities to trade with the Common Market.

The bill also requests special authority to reduce or eliminate all duties and other restrictions on the importation of tropical agricultural and forestry products supplied by friendly less-developed countries and not produced here in any significant quantity, if our action is taken in concert with similar action by the Common Market. These tropical products are the staple exports of many less-developed countries. Their efforts for economic development and diversification must be advanced out of earnings from these products. By assuring them as large a market as possible, we are bringing closer the day when they will be able to finance their own development needs on a self-sustaining basis.

Safeguards to American industry: If the authority requested in this act is used, imports as well as exports will increase; and this increase will, in the

overwhelming number of cases, be beneficial for the reasons outlined above. Nevertheless ample safeguards against injury to American industry and agriculture will be retained. Escape clause relief will continue to be available with more up-to-date definitions. Temporary tariff relief will be granted where essential. The power to impose duties or suspend concessions to protect the national security will be retained. Articles will be reserved from negotiations whenever such action is deemed to be in the best interest of the Nation and the economy. And the four basic stages of the traditional peril point procedures and safeguards will be retained and improved:

The President will refer to the Tariff Commission the list of proposed items for negotiations;

The Tariff Commission will conduct hearings to determine the effect of concessions on these products;

The Commission will make a report to the President, specifically based, as such reports are based now, upon its findings of how new imports might lead to the idling of productive facilities, the inability of domestic producers to operate at a profit, and the unemployment of workers as the result of anticipated reductions in duties; and

The President will report to the Congress on his action after completion of the negotiations. The present arrangements will be substantially improved, however, since both the Tariff Commission recommendation and the President's report would be broader than a bare determination of specific peril points; and this should enable us to make much more informed use of these recommendations than has been true in the past.

Trade adjustment assistance: I am also recommending as an essential part of the new trade program that companies, farmers, and workers who suffer damage from increased foreign import competition be assisted in their efforts to adjust to that competition. When considerations of national policy make it desirable to avoid higher tariffs, those injured by that competition should not be required to bear the full brunt of the impact. Rather, the burden of economic adjustment should be borne in part by the Federal Government.

Under existing law, the only alternatives available to the President are the imposition or refusal of tariff relief. These alternatives should continue to be available.

The legislation I am proposing, however, provides an additional alternative called trade adjustment assistance. This alternative will permit the executive branch to make extensive use of its facilities, programs, and resources to provide special assistance to farmers, firms, and their employees in making the economic readjustments necessitated by the imports resulting from tariff concessions.

Any worker or group of workers unemployed or underemployed as a result of increased imports would, under this bill, be eligible for the following forms of assistance:

1. Readjustment allowances providing as much as 65 percent of the individual's average weekly wage for up to 52 weeks for all workers, and for as many as 13 additional weeks for workers over 60, with unemployment insurance benefits deducted from such allowances to the extent available;

2. Vocational education and training assistance to develop higher and different skills;

3. Financial assistance for those who cannot find work in their present community to relocate to a different place in the United States where suitable employment is available.

For a businessman or farmer adversely affected by imports, there should be available:

1. Technical information, advice and consultation to help plan and implement an attack on the problem;

2. Tax benefits to encourage modernization and diversification;

3. Loan guarantees and loans otherwise not commercially available to aid modernization and diversification.

Just as the Federal Government has assisted in personal readjustments made necessary by military service, just as the Federal Government met its obligation to assist industry in adjusting to war production and again to return to peacetime production, so there is an obligation to render assistance to those who suffer as a result of national trade policy. Such a program will supplement and work in coordination with, not duplicate, what we are already doing or proposing to do for depressed areas, for small business, for investment incentives, and for the retraining and compensation of our unemployed workers.

This cannot be and will not be a subsidy program of government paternalism. It is instead a program to afford time for American initiative, American adaptability, and American resiliency to assert themselves. It is consistent with that part of the proposed law which would stage tariff reductions over a 5-year period. Accordingly, trade adjustment assistance, like the other provisions of the Trade Expansion Act of 1962, is designed to strengthen the efficiency of our economy, not to protect inefficiencies.

Authority to grant temporary tariff relief will remain available to assist those industries injured by a sudden influx of goods under revised tariffs. But the accent is on adjustment more than assistance. Through trade adjustment prompt and effective help can be given to those suffering genuine hardship in adjusting to import competition, moving men and resources out of uneconomic production into efficient production and competitive positions, and in the process preserving the employment relationships between firms and workers wherever possible. Unlike tariff relief, this assistance can be tailored to their individual needs without disrupting other policies. Experience with a similar kind of program in the Common Market, and in the face of more extensive tariff reductions than we propose here, testifies to the effective but relatively inexpensive nature of this approach. For most affected firms will find that the adjustment involved is no more than the adjustment they face every year or few years as the result of changes in the economy, consumer taste, or domestic competition.

The purpose of this message has been to describe the challenge we face and the tools we need. The decision rests with the Congress. That decision will either mark the beginning of a new chapter in the alliance of free nations—or a threat to the growth of Western unity. The two great Atlantic markets will either grow together or they will grow apart. The meaning and range of free economic choice will either be widened for the benefit of freemen everywhere—or confused and constricted by new barriers and delays.

Last year, in enacting a long-term foreign aid program, the Congress made possible a fundamental change in our relations with the developing nations. This bill will make possible a fundamental, far-reaching and unique change in our relations with the other industrialized nations—particularly with the other members of the Atlantic community. As NATO was unprecedented in military history, this measure is unprecedented in economic history. But its passage will be long remembered and its benefits widely distributed among those who work for freedom.

At rare moments in the life of this Nation an opportunity comes along to fashion out of the confusion of current events a clear and bold action to show the world what it is we stand for. Such an opportunity is before us now. This bill, by enabling us to strike a bargain with the Common Market, will strike a blow for freedom.

JOHN F. KENNEDY.

THE WHITE HOUSE, *January 25, 1962.*

GREAT BASIN NATIONAL PARK IN NEVADA

The Senate resumed the consideration of the bill (S. 1760) to establish the Great Basin National Park in Nevada, and for other purposes.

Mr. BIBLE. Mr. President, the pending business is S. 1760, the so-called Great Basin National Park, located within the State of Nevada.

I ask unanimous consent that the Senate agree to the committee amendments en bloc.

The PRESIDING OFFICER. Is there objection?

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. BIBLE. I yield to my distinguished friend from Idaho, the ranking minority member of the Committee on Interior and Insular Affairs.

Mr. DWORSHAK. Does the Senator intend to give an explanation of the bill at this point?

Mr. BIBLE. Just as soon as the committee amendments have been adopted en bloc I shall give a brief explanation of the bill.

The PRESIDING OFFICER. Is there objection?

There being no objection, the committee amendments were agreed to en bloc as follows:

On page 2, at the beginning of line 17, to strike out "5 miles over unsurveyed land to a point which is due east of the northeast corner of section 1, township 12 north, range 67 east;

"Thence due west 1 mile to a point; thence due north approximately 2 miles to a point which is due east of the easterly common corner of sections 24 and 25, township 13 north, range 67 east; thence due west 1½ miles to a point;" and insert "7 miles over unsurveyed land to a point which is due east of the northeast corner of section 25, township 13 north, range 67 east; thence due west 2½ miles to a point;"; on page 4, line 2, after the word "approximately", to strike out "three-quarters" and insert "one-half"; in line 4, after the word "of", where it appears the first time, to strike out "the south half of"; at the beginning line 6, to strike out "south one-sixteenth latitudinal" and insert "east-west quarter"; in line 7, after the word "the", where it appears the first time, to strike out "northeast corner of the south half of the southeast quarter" and insert "east quarter corner"; in line 9, after the word "approximately", to strike out "one-quarter" and insert "one-half"; on page 6, at the beginning of line 11, to strike out "124,500" and insert "123,360"; on page 8, after line 5, to strike out:

"SEC. 7. Where any Federal lands included within the Great Basin National Park were legally occupied or utilized on the date of approval of this Act for grazing purposes pursuant to a lease, permit, or license, issued or authorized by any department, establishment, or agency of the United States, the person so occupying or utilizing such lands, and the heirs, successors, or assigns of such person, shall upon determination of such lease, permit, or license, be entitled to have the privilege so possessed or enjoyed by him renewed from time to time, subject to such terms and conditions as the Secretary of the Interior shall prescribe, for a period of twenty-five years from the date of approval of this Act, and thereafter during the lifetime of such person and the lifetime of his heirs, successors, or assigns, but only if they were members of his immediate family on such date, as determined by the Secretary of the Interior: *Provided,* That grazing privileges appurtenant to privately owned lands located within the Great Basin National Park established by this Act shall not be withdrawn until title to lands to which such privileges are appurtenant shall have vested in the United States, except for failure to comply with the regulations applicable thereto after reasonable notice of default. Nothing contained in this Act shall be construed as creating any vested right, title, interest or estate in or to any Federal lands."

And in lieu thereof to insert:

"SEC. 7. Where any Federal lands included within the Great Basin National Park are legally occupied or utilized on the date of approval of this Act for grazing purposes, pursuant to a lease permit or license issued or authorized by any department establishment or agency of the United States, the Secretary of the Interior shall permit the persons holding such grazing privileges on the date of approval of this Act, their heirs, successors, or assigns, to renew the privileges from time to time subject to such terms and conditions as the Secretary may prescribe: *Provided, however,* That no such privilege shall be extended beyond the period ending twenty-five years from the date of approval of this Act except as specifically provided for in this section. The Secretary shall permit a holder of the grazing privilege to renew such privilege from time to time during the holder's lifetime beyond the twenty-five-year period, subject to such terms and conditions as the Secretary may prescribe, if (1) the holder is the person who held such privilege on the date of approval of this Act, or (2) the holder is the heir, successor, or assign of such person and was a member of that person's immediate family, as determined by the Secretary of the Interior, on the date of approval of this Act. Nothing contained in this Act shall be construed as creating any vested right, title, interest, or estate in or to any of the Federal lands. The Secretary, by regulation, may limit the privileges enjoyed under this Act to the extent that they are appurtenant to the private lands owned by the persons who held such privileges on the date of approval of this Act, and may adjust such privileges to preserve the park land and resources from destruction or unnecessary injury. Grazing privileges appurtenant to privately owned lands located within the Great Basin National Park established by this Act shall not be withdrawn until title to lands to which such privileges are appurtenant shall have vested in the United States, except for failure to comply with the regulations applicable thereto and after reasonable notice of any default."

On page 10, after line 16, to insert a new section, as follows:

"SEC. 8. There are hereby eliminated from the Humboldt National Forest all those lands comprising the Snake Division of the forest which lie in:

"NEVADA

"MOUNT DIABLO MERIDIAN

"Townships 10, 11, 12, 13, and 14 north, range 68 east;

"Townships 10, 11, 12, 13, and 14 north, range 69 east; and

"Townships 10, 11, 12, and 13 north, range 70 east."

And, on page 11, line 2, to change the section number from "8" to "9"; so as to make the bill read:

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in order to preserve for the benefit and inspiration of the people a representative segment of the great basin processing outstanding ecological resources and significant geological and scenic values, there is hereby established the Great Basin National Park in the State of Nevada which, subject to valid existing rights, shall consist of lands and interest in lands within the following described boundary:

"Commencing at the quarter section corner of sections 17 and 20, township 11 north, range 70 east, Mount Diablo Meridian, Nevada; thence west 1½ miles along the south boundaries of sections 17 and 18 to the westerly common corner of sections 18 and 19; thence due west 8 miles over unsurveyed land to a point; thence due north over unsurveyed land to a point which is due east of the easterly common corner of sections 5 and 8, township 11 north, range 68 east;

"Thence westerly over unsurveyed land to said easterly common corner of sections 5 and 8; thence north along the east boundary of section 5 to the northeast corner of said section; thence due north approximately one mile over unsurveyed land to a point which is due east of the easterly common corner of sections 25 and 36, township 12 north, range 67 east, thence due east one mile over unsurveyed land to a point; thence due north approximately 7 miles over unsurveyed land to a point which is due east of the northeast corner of section 25, township 13 north, range 67 east; thence due west 2½ miles to a point; thence due north approximately 3 miles over unsurveyed land to the quarter section corner on the south boundary of section 6, township 13 north, range 68 east; thence 2 miles north through the center of section 6, township 13 north, range 68 east, and section 31, township 14 north, range 68 east, to the quarter section corner common to sections 30 and 31;

"Thence east 1½ miles along the south boundaries of sections 30 and 29 to the common corner of sections 28, 29, 32, and 33; thence north 2 miles along the east boundaries of sections 29 and 20 to the common corner of sections 16, 17, 20, and 21; thence east 1 mile along the south boundary of section 16 to the common corner of sections 15, 16, 21, and 22; thence north 1 mile along the east boundary of section 16 to the common corner of sections 9, 10, 15, and 16; thence east 3 miles along the south boundaries of sections 10, 11, and 12 to the easterly common corner of sections 12 and 13 on the east boundary of township 14 north, range 68 east;

"Thence north approximately three-quarters of a mile along the west boundary of township 14 north, range 69 east, to the westerly common corner of sections 7 and 18, said township and range; thence east approximately one-half mile along the north boundary of said section 18 to the north quarter corner of said section 18, thence south approximately one-half mile along the north south quarter line of said section 18 to the northwest corner of the southeast quarter of said section 18;

"Thence east approximtaely one-half mile along the east-west quarter line of said section 18 to the east quarter corner of said section 18; thence south approximately one-half mile along the east boundary of said section 18 to the southerly common corner of said section 18 and section 17; thence east approximtaely one-half mile along the north boundary of section 20 to the north quarter corner of said section 20;

"Thence east approximately one-half mile along the north-south quarter line of said section 20 to the north quarter corner of section 29; thence east approximately one-half mile to the northeast corner of said section 29; thence north approximately 4.89 chains along the west boundary of section 28 to the northwest corner of said section 28; thence east approximately one mile along the north boundary of said section 28 to the northeast corner of said section 28;

"Thence south along the east boundaries of sections 28 and 33, township 14 north, range 69 east, and of what probably will be when surveyed section 4, township 13 north, range 69 east, to the east quarter corner of said section 4; thence east approximately two miles along the east-west quarter lines of sections 3 and 2 to the east quarter corner of said section 2; thence south approximately one-half mile along the east boundary of section 2 to the common corner of sections 1, 2, 11, and 12.

"Thence east approximately two miles along the north boundaries of said section 12, township 13 north, range 69 east, and section 7, township 13 north, range 70 east, to the common corner of sections 5, 6, 7, and 8; thence south 5 miles along the west boundaries of sections 8, 17, 20, 29, and 32, to the southerly common corner of sections 31 and 32, township 13 north, range 70 east; thence east 1 mile along the south boundary of section 32 to the northerly common corner of sections 4 and 5, township 12 north, range 70 east;

"Thence south 1 mile along the west boundary of section 4, to the common corner of sections 4, 5, 8, and 9; thence east 1 mile along the south boundary of section 4, to the common corner of sections 3, 4, 9, and 10; thence south 5 miles along the west boundaries of sections 10, 15, 22, 27, and 34, to the common corner of sections 3 and 4, township 11 north, range 70 east, and sections 33 and 34, township 12 north, range 70 east; thence west 1 mile along the north boundary of section 4, to the common corner of sections 4 and 5, township 11 north, range 70 east, and sections 32 and 33, township 12 north, range 70 east;

"Thence south 1 mile along the west boundary of section 4, township 11 north, range 70 east, to the common corner of sections 4, 5, 8, and 9; thence west one-half mile along the north boundary of section 8, to

John Rekuc
Harold R. Margrave
Francis W. Sullivan
Horace F. Hey
Leo Frey
Gordon W. Ault
Eric G. Bragg
Leonard L. Bouler
Robert L. Wilson
James B. Gill
Clifton Cuthrell
Cleo Hack, Jr.
Albert V. Carver
Mack E. McGuffin
Hubert F. Midgett
Hull O. L. Tanner
John E. Simpson
Wilson F. Jones
Boyden B. Bonnicksen
Oscar A. Erickson
Claude A. Broadus
James D. Toler
Donald C. Davey
William A. Shaffer, Jr.
Roy M. Schwanekamp
Kirven L. Dunn
Robert L. Walters

Darrell "B" Sinift
Joseph F. Baranowski
Edmund A. Novak
Lester H. H. O'Neil
Jerome R. Morton
Richard R. Anthony
Jack W. McDonald
Charles F. Potter, Jr.
William W. Muessel
George R. Brower
Robert L. Hatfield
Euclid L. Wade
Clark A. Johnson
Eugene W. Darcy
Dorris L. Steele
Eugene R. Lockhart
Ivan J. Anderson
Richard A. Krueger
Ernest N. Yaroch
Duane A. Force
Wallace N. Anderson
Joseph C. Waldrop
Daniel L. Knauss
Floyd J. Mulheren
Jack G. Smith
Charles W. Oldham
Mortimer Jeffords

To be chief warrant officers, W–2

James F. Coen
Louis R. McDowell, Jr.
Kenneth G. Allen
Lawrence R. Fillinger
Charles A. Carroll
William P. Goldwire
Jerry H. Hedgecock
Thomas B. Lain
William H. Goetz
Loyal Walley
Eugene D. Freeman
Warren K. Wordsworth

Louis J. Lusson
Hugh J. Milloy
Robert A. Roy
Roland E. Huggins
Emanuel Schneider
Alex Z. Walker, Jr.
Karl K. Drum
Russell A. Cahill
Seaborn W. Jones
Earl D. Johnson
Robert D. Askew
William B. Sobeck

Archie Brookshire
William J. Irrig
Austin C. Mee, Jr.
Edward P. Lewy
Robert V. Ricard
James R. Ingram
Edwin M. Custer, Jr.
Jimmie J. Davis
Jack A. Massey
Harry D. Smith
Fred V. Reed
Paul J. Bouchard
Daniel C. Mania
Richard H. Hicks
Marvin N. Bromen
Bruce C. Lauther
Robert E. Potts
Robert E. Diller
Harold E. Stanley
Billy R. Mull
John A. Donnelly
Charles R. McFarland
Leroy W. Peterson
Carl W. Snyder, Jr.
Philip M. Lebet
Edward A. Walsh
Samuel T. Buckman, Jr.
Ronald H. Youngman
Dean L. Webster
Hubert T. Blomquist
John D. Drewer
Robert L. Barr
Jackie R. Gore
James E. Mitts
Peter D. Van Horsen
Russell F. Mills
Ronald E. Wille
William F. Hunter
Harvey R. Little
John D. Ransom

Francis J. Honke
Robert M. Terkelsen
Peter F. Sterbling, Jr.
Richard H. Hill
Cecil L. McManus
Raymond H. Spoltman
Richard C. Tims
James F. Tutwiler
Elbert W. McKinney
Kenneth E. Wadman
Ernest R. Gronlund
Robert G. Carnilla
Willis A. Roderfeld
Paul W. Bicking
Alfred K. Rausch
Edward L. York
Francis W. Kelly
Edward B. Midgette
Douglas H. Derr
Robert L. Thompson
James E. Smith, Jr.
Ellsworth N. Slater
Richard J. Kilroy
Jack W. Dugan
Warren B. Barrett
Frederick W. Cressman, Jr.
Marvin J. Portwood, Jr.
James O'Connell
Arthur L. Jayroe
Elwood T. Elder
Patrick J. Flynn, Jr.
James N. Hodges
Dewey E. Sutton
Parker J. Pennington
Edward W. Kostbade
Charles D. Mills
James K. Beebe
Carl F. Baker
Charles L. Francis

John T. McGilly
Coit Rodgers
Cluese Russell
Robert E. DeMichillie
Charles R. Wilson
James H. Tyner
Charles R. Finn
Edward Schertzer
Harry F. Sanborn
John R. Alford
Albert R. Bennett
Paul R. Harp
Raymond J. Gorman
Glendon Grantham
Earl A. Ericksen
Robert A. Jones
Richard R. Terhune, Jr.
Charles F. Coolidge
Donald E. Grant
Robert C. Hilker
Cordus C. Bough
Eugene E. Doyle
Earl L. Dickson
Glenn E. Basham
John A. Marino
Robert A. Murrell
Arthur M. McIver
Omer L. Foster
Kenneth C. Garrison
Franklin L. Fountaine
Donald E. Dean
Dale T. Butler
Lyman R. Oliver, Jr.
Frederick R. Cooper, Jr.
Donald L. Conlon
Charles D. Pearson
Richard D. Bundy
Robert Casale
Harry V. Walker

Thomas E. Hilton
James F. Kaneaster
Gerald E. Palmer
Stephen Peckiconis
William T. Vanderberg
Richard A. Gill
Lennox A. Johnson
John H. Wiechert
Ivan B. Aiken, Jr.
Donald D. Luedke
Robert V. Bouck
John T. Watson
John W. Gates
George P. Spaniol
Blanchard M. Pierce
Truxton W. Payne
Robert D. Goodenough
Dalton L. Burrus
Elwyn C. Evans
Richard E. Eastman
John D. Kakalia
Edwin L. Mapp, Jr.
Robert D. Bowen
Richard J. Harding
Stanley W. Mead
William W. Southern, Jr.
William L. Broadwell
Francis V. McMahon
Charles W. Brandon
Fred E. Grombacher
Sewell G. Loggins
Jesse E. Sparks
Forrest W. Ringsage
Paul L. Cargile
Earl R. Schattenberg
George E. Prather
William H. Bacon
Franklin H. Doughten
Kenneth W. Bates

House of Representatives

THURSDAY, JANUARY 25, 1962

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Isaiah 43: 10: *Ye are my witnesses, saith the Lord, and my servants whom I have chosen.*

Almighty God, grant that in the achievements of each day we may bear clear and unmistakable witness that we are Thy servants and have Thy spirit of generosity and good will toward all mankind.

Inspire us with a deep and sincere concern for the desperate needs of our generation and the confident assurance that Thy grace is abundantly able to sustain us in our longings and labors to meet them.

May it be the goal of all our desires to give humanity the opportunity to bring to fulfillment and fruition those capacities and capabilities with which Thou, their Creator, hast endowed them.

Thine be the glory forever. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Ratchford, one of his secretaries.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. The gentleman from Iowa makes the point of order that a quorum is not present. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 6]

Abbitt	Celler	Garland
Alger	Chiperfield	Garmatz
Ashmore	Clark	Giaimo
Auchincloss	Coad	Gilbert
Avery	Conte	Gray
Baring	Cook	Griffiths
Barrett	Cooley	Hagan, Ga.
Bass, N.H.	Curtis, Mo.	Harsha
Becker	Davis, Tenn.	Hays
Belcher	Dawson	Healey
Blatnik	Derwinski	Hébert
Blitch	Dole	Hemphill
Boggs	Dooley	Hiestand
Bow	Edmondson	Hoffman, Mich.
Breeding	Ellsworth	Hosmer
Bromwell	Fallon	Ichord
Broomfield	Farbstein	Inouye
Buckley	Feighan	Jarman
Burke, Mass.	Finnegan	Jennings
Cannon	Flynt	Joelson
Carey	Forrester	Jones, Ala.
Judd	Multer	Shriver
Kee	Nedzi	Sisk
Keith	Nelsen	Slack
Kilburn	Nix	Spence
Kirwan	Norrell	Staggers
Kunkel	O'Brien, N.Y.	Steed
Landrum	O'Neill	Stephens
Lankford	Patman	Thompson, La.
McCulloch	Perkins	Thompson, N.J.
McDowell	Pilcher	Tupper
McSween	Powell	Ullman
McVey	Reuss	Vanik
MacGregor	Rhodes, Ariz.	Van Pelt
Mailliard	Rutherford	Waggoner
Martin, Mass.	Scherer	Watts
Meader	Schwengel	Weis
Merrow	Scott	Whalley
Miller, N.Y.	Seely-Brown	Widnall
Moorhead, Pa.	Selden	Yates
Morrison	Shelley	Zablocki
Moulder	Sheppard	Zelenko

The SPEAKER. On this rollcall 303 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

RECIPROCAL TRADE AGREEMENTS PROGRAM—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 314)

The SPEAKER laid before the House the following message from the President of the United States, which was read, referred to the Committee on Ways and Means, and ordered to be printed:

To the Congress of the United States:

Twenty-eight years ago our Nation embarked upon a new experiment in international relationships—the reciprocal trade agreements program. Faced with the chaos in world trade that had resulted from the great depression, disillusioned by the failure of the promises that high protective tariffs would generate recovery, and impelled by a desperate need to restore our economy, President Roosevelt asked for authority to negotiate reciprocal tariff reductions with other nations of the world in order to spur our exports and aid our economic recovery and growth.

That landmark measure, guided through Congress by Cordell Hull, has been extended 11 times. It has served our country and the free world well over two decades. The application of this program brought growth and order to the free world trading system. Our total exports, averaging less than $2 billion a year in the 3 years preceding enactment of the law, have now increased to over $20 billion.

On June 30, 1962, the negotiating authority under the last extension of the Trade Agreements Act expires. It must be replaced by a wholly new instrument. A new American trade initiative is needed to meet the challenges and opportunities of a rapidly changing world economy.

In the brief period since this act was last extended, five fundamentally new and sweeping developments have made obsolete our traditional trade policy:

The growth of the European Common Market: An economy which may soon nearly equal our own, protected by a single external tariff similar to our own—has progressed with such success and momentum that it has surpassed its original timetable, convinced those initially skeptical that there is now no turning back and laid the groundwork for a radical alteration of the economics of the Atlantic Alliance. Almost 90 percent of the free world's industrial production (if the United Kingdom and others successfully complete their negotiations for membership) may soon be concentrated in two great markets—the United States of America and the expanded European Economic Community. A trade policy adequate to negotiate item by item tariff reductions with a large number of small independent states will no longer be adequate to assure ready access for ourselves—and for our traditional trading partners in Canada, Japan, Latin America, and elsewhere—to a market nearly as large as our own, whose negotiators can speak with one voice but whose internal differences make it impossible for them to negotiate item by item.

The growing pressures on our balance-of-payments position have, in the past few years, turned a new spotlight on the importance of increasing American exports to strengthen the international position of the dollar and prevent a steady drain of our gold reserves. To maintain our defense, assistance and other commitments abroad, while expanding the free flow of goods and capital, we must achieve a reasonable equilibrium in our international accounts by offsetting these dollar outlays with dollar sales.

The need to accelerate our own economic growth, following a lagging period of 7 years characterized by three recessions, is more urgent than it has been in years—underlined by the millions of new job opportunities which will have to be found in this decade to provide employment for those already unemployed as well as an increasing flood of younger workers, farmworkers seeking new opportunities, and city workers displaced by technological change.

The Communist aid and trade offensive has also become more apparent in recent years. Soviet bloc trade with 41 non-Communist countries in the less-developed areas of the globe has more than tripled in recent years; and bloc trade missions are busy in nearly every continent attempting to penetrate, encircle, and divide the free world.

The need for new markets for Japan and the developing nations has also been accentuated as never before—both by the prospective impact of the EEC's external tariff and by their own need to acquire new outlets for their raw materials and light manufactures.

To meet these new challenges and opportunities, I am today transmitting to the Congress a new and modern instrument of trade negotiation—the Trade Expansion Act of 1962. As I said in my state of the Union address, its enactment "could well affect the unity of the West, the course of the cold war, and the growth of our Nation for a generation or more to come."

I. THE BENEFITS OF INCREASED TRADE

Specifically, enactment of this measure will benefit substantially every State of the Union, every segment of the American economy, and every basic objective of our domestic economy and foreign policy.

Our efforts to expand our economy will be importantly affected by our ability to expand our exports—and particularly upon the ability of our farmers and businessmen to sell to the Common Market. There is arising across the Atlantic a single economic community which may soon have a population half again as big as our own, working and competing together with no more barriers to commerce and investment than exist among our 50 States—in an economy which has been growing roughly twice as fast as ours—representing a purchasing power which will someday equal our own and a living standard growing faster than our own. As its consumer incomes grow, its consumer demands are also growing, particularly for the type of goods that we produce best, which are only now beginning to be widely sold or known in the markets of Europe or in the homes of its middle-income families.

Some 30 percent of our exports—more than $4 billion in industrial goods and materials and nearly $2 billion in agricultural products—already goes to the members and prospective members of the EEC. European manufacturers, however, have increased their share of this rapidly expanding market at a far greater rate than American manufacturers. Unless our industry can maintain and increase its share of this attractive market, there will be further temptation to locate additional American-financed plants in Europe in order to get behind the external tariff wall of the EEC. This would enable the American manufacturer to contend for that vast consumer potential on more competitive terms with his European counterparts; but it will also mean a failure on our part to take advantage of this growing market to increase jobs and investment in this country.

A more liberal trade policy will, in general, benefit our most efficient and expanding industries—industries which have demonstrated their advantage over other world producers by exporting on the average twice as much of their products as we import—industries which have done this while paying the highest wages in our country. Increasing investment and employment in these growth industries will make for a more healthy, efficient, and expanding economy and a still higher American standard of living. Indeed, freer movement of trade between America and the Common Market would bolster the economy of the entire free world, stimulating each nation to do most what it does best and helping to achieve the OECD target of a 50 percent combined Atlantic Community increase in gross national product by 1970.

Our efforts to prevent inflation will be reinforced by expanded trade. Once given a fair and equal opportunity to compete in oversea markets, and once subject to healthy competition from oversea manufacturers for our own markets, American management and labor will have additional reason to maintain competitive costs and prices, modernize their plants, and increase their productivity. The discipline of the world marketplace is an excellent measure of efficiency and a force to stability. To try to shield American industry from the discipline of foreign competition would isolate our domestic price level from world prices, encourage domestic inflation, reduce our exports still further, and invite less desirable governmental solutions.

Our efforts to correct our adverse balance of payments, have, in recent years, roughly paralleled our ability to increase our export surplus. It is necessary if we are to maintain our security programs abroad—our own military forces overseas plus our contribution to the security and growth of other free countries—to make substantial dollar outlays abroad. These outlays are being held to the minimum necessary, and we are seeking increased sharing from our allies. But they will continue at substantial rates—and this requires us to enlarge the $5 billion export surplus which we presently enjoy from our favorable balance of trade. If that surplus can be enlarged, as exports under our new program rise faster than imports, we can achieve the equilibrium in our balance of payments which is essential to our economic stability and flexibility. If, on the other hand, our surplus should fail to grow, if our exports should be denied ready access to the EEC and other markets—our oversea position would be endangered. Moreover, if we can lower the external tariff wall of the Common Market through negotiation, our manufacturers will be under less pressure to locate their plants behind that wall in order to sell in the European market, thus reducing the export of capital funds to Europe.

Our efforts to promote the strength and unity of the West are thus directly related to the strength and unity of Atlantic trade policies. An expanded export program is necessary to give this Nation both the balance-of-payments equilibrium and the economic growth we need to sustain our share of Western military security and economic advance. Equally important, a freer flow of trade across the Atlantic will enable the two giant markets on either side of the ocean to impart strength and vigor to each other, and to combine their resources and momentum to undertake the many enterprises which the security of free peoples demands. For the first time, as the world's greatest trading nation, we can welcome a single partner whose trade is even larger than our own—a partner no longer divided and dependent, but strong enough to share with us the responsibilities and initiatives of the free world.

The Communist bloc, largely self-contained and isolated, represents an economic power already by some standards larger than that of Western Europe and hoping someday to overtake the United States. But the combined output and purchasing power of the United States and Western Europe—nearly a trillion dollars a year—is more than twice as great as that of the entire Sino-Soviet world. Though we have only half the population, and far less than half the territory, we can pool or resources and resourcefulness in an open-trade partnership strong enough to outstrip any challenge, and strong enough to undertake all the many enterprises around the world which the maintenance and progress of freedom require. If we can take this step, Marxist predictions of capitalist empires warring over markets and stifling competition would be shattered for all time—Communist hopes for a trade war between these two great economic giants would be frustrated—and Communist efforts to split the West would be doomed to failure.

As members of the Atlantic community we have concerted our military objectives through the North Atlantic Treaty Organization. We are concerting our monetary and economic policies through the Organization for Economic Cooperation and Development. It is time now to write a new chapter in the evolution of the Atlantic community. The success of our foreign policy depends in large measure upon the success of our foreign trade, and our maintenance of Western political unity depends in equally large measure upon the degree of Western economic unity. An integrated Western Europe, joined in trading partnership with the United States, will further shift the world balance of power to the side of freedom.

Our efforts to prove the superiority of free choice will thus be advanced immeasurably. We will prove to the world that we believe in peacefully tearing down walls instead of arbitrarily building them. We will be opening new vistas of choice and opportunity to the producers and consumers of the free world. In answer to those who say to the world's poorer countries that economic progress and freedom are no longer compatible, we—who have long boasted about the virtues of the marketplace and of free competitive enterprise, about our ability to compete and sell in any market and about our willingness to keep abreast of the times—will have our greatest opportunity since the Marshall plan to demonstrate the vitality of free choice.

Communist bloc nations have negotiated more than 200 trade agreements in recent years. Inevitably the recipient

nation finds its economy increasingly dependent upon Soviet goods, services, and technicians. But many of these nations have also observed that the economics of free choice provide far greater benefits than the economics of coercion—and the wider we can make the area of economic freedom, the easier we make it for all free peoples to receive the benefits of our innovations and put them into practice.

Our efforts to aid the developing nations of the world and other friends, however, depend upon more than a demonstration of freedom's vitality and benefits. If their economies are to expand, if their new industries are to be successful, if they are to acquire the foreign exchange funds they will need to replace our aid efforts, these nations must find new outlets for their raw materials and new manufactures. We must make certain that any arrangements which we make with the European Economic Community are worked out in such a fashion as to insure nondiscriminatory application to all third countries. Even more important, however, the United States and Europe together have a joint responsibility to all of the less-developed countries of the world—and in this sense we must work together to insure that their legitimate aspirations and requirements are fulfilled. The "open partnership" which this bill proposes will enable all free nations to share together the rewards of a wider economic choice for all.

Our efforts to maintain the leadership of the free world thus rest, in the final analysis, on our success in this undertaking. Economic isolation and political leadership are wholly incompatible. In the next few years, the nations of Western Europe will be fixing basic economic and trading patterns vitally affecting the future of our economy and the hopes of our less-developed friends. Basic political and military decisions of vital interest to our security will be made. Unless we have this authority to negotiate and have it this year—if we are separated from the Common Market by high tariff barriers on either side of the Atlantic—then we cannot hope to play an effective part in those basic decisions.

If we are to retain our leadership, the initiative is up to us. The revolutionary changes which are occurring will not wait for us to make up our minds. The United States has encouraged sweeping changes in free world economic patterns in order to strengthen the forces of freedom. But we cannot ourselves stand still. If we are to lead, we must act. We must adapt our own economy to the imperatives of a changing world, and once more assert our leadership.

The American businessman, once the authority granted by this bill is exercised, will have a unique opportunity to compete on a more equal basis in a rich and rapidly expanding market abroad which possesses potentially a purchasing power as large and as varied as our own. He knows that, once artificial restraints are removed, a vast array of American goods, produced by American know-how with American efficiency, can compete with any goods in any spot in the world. And almost all members of the business community, in every State, now participate or could participate in the production, processing, transporting, or distribution of either exports or imports.

Already we sell to Western Europe alone more machinery, transportation equipment, chemicals, and coal than our total imports of these commodities from all regions of the world combined. Western Europe is our best customer today—and should be an even better one tomorrow. But as the new external tariff surrounding the Common Market replaces the internal tariff structure, a German producer—who once competed in the markets of France on the same terms with our own producers—will achieve free access to French markets while our own producers face a tariff. In short, in the absence of authority to bargain down that external tariff, as the economy of the Common Market expands, our exports will not expand with it. They may even decline.

The American farmer has a tremendous stake in expanded trade. One out of every seven farmworkers produces for export. The average farmer depends on foreign markets to sell the crops grown on 1 out of every 6 acres he plants. Sixty percent of our rice, 49 percent of our cotton, 49 percent of our wheat, and 42 percent of our soybean production is exported. Agriculture is one of our best sources of foreign exchange.

Our farmers are particularly dependent upon the markets of Western Europe. Our agricultural trade with that area is 4 to 1 in our favor. The agreements recently reached at Brussels both exhausted our existing authority to obtain further European concessions, and laid the groundwork for future negotiations on American farm exports to be conducted once new authority is granted. But new and flexible authority is required if we are to keep the door of the Common Market open to American agriculture, and open it wider still. If the output of our astounding productivity is not to pile up increasingly in our warehouses, our negotiators will need both the special EEC authority and the general 50-percent authority requested in the bill described later in this message.

The American worker will benefit from the expansion of our exports. One out of every three workers engaged in manufacturing is employed in establishments that export. Several hundred times as many workers owe their jobs directly or indirectly to exports as are in the small group—estimated to be less than one-half of 1 percent of all workers—who might be adversely affected by a sharp increase in imports. As the number of jobseekers in our labor force expands in the years ahead, increasing our job opportunities will require expanding our markets and economy, and making certain that new U.S. plants built to serve Common Market consumers are built here, to employ American workers, and not there.

The American consumer benefits most of all from an increase in foreign trade. Imports give him a wider choice of products at competitive prices. They introduce new ideas and new tastes, which often lead to new demands for American production.

Increased imports stimulate our own efforts to increase efficiency, and supplement antitrust and other efforts to assure competition. Many industries of importance to the American consumer and economy are dependent upon imports for raw materials and other supplies. Thus American-made goods can also be made much less expensively for the American consumers if we lower the tariff on the materials that are necessary to their production.

American imports, in short, have generally strengthened rather than weakened our economy. Their competitive benefits have already been mentioned. But about 60 percent of the goods we import do not compete with the goods we produce—either because they are not produced in this country, or are not produced in any significant quantity. They provide us with products we need but cannot efficiently make or grow (such as bananas or coffee), supplement our own steadily depleting natural resources with items not available here in quantity (such as manganese or chrome ore, 90 percent or more of which must be imported if our steel mills are to operate), and contribute to our industrial efficiency, our economic growth, and our high level of consumption. Those imports that do compete are equal to only 1 or 1½ percent of our total national production; and even these imports create jobs directly for those engaged in their processing, distribution, or transportation, and indirectly for those employed in both export industries and in those industries dependent upon reasonably priced imported supplies for their own ability to compete.

Moreover, we must reduce our own tariffs if we hope to reduce tariffs abroad and thereby increase our exports and export surplus. There are many more American jobs dependent upon exports than could possibly be adversely affected by increased imports. And those export industries are our strongest, most efficient, highest paying growth industries.

It is obvious, therefore, that the warnings against increased imports based upon the lower level of wages paid in other countries are not telling the whole story. For this fear is refuted by the fact that American industry in general—and America's highest paid industries in particular—export more goods to other markets than any other nation; sell far more abroad to other countries than they sell to us; and command the vast preponderance of our own market here in the United States. There are three reasons for this:

(a) The skill and efficiency of American workers, with the help of our machinery and technology, can produce more units per man-hour than any other workers in the world—thus making the competitive cost of our labor for many products far less than it is in countries with lower wage rates. For example, while a U.S. coal miner is paid 8 times as much per hour as the Japanese miner, he produces 14 times as much coal—our real cost per ton of coal is thus far smaller—and we sell the Japanese tens of

millions of dollars' worth of coal each year.

(b) Our best industries also possess other advantages—the adequacy of low-cost raw materials or electrical power, for example. Neither wages nor total labor costs is an adequate standard of comparison if used alone.

(c) American products can frequently compete successfully even where foreign prices are somewhat lower—by virtue of their superior quality, style, packaging, servicing, or assurance of delivery.

Given this strength, accompanied by increasing productivity and wages in the rest of the world, there is less need to be concerned over the level of wages in the low-wage countries. These levels, moreover, are already on the rise, and, we would hope, will continue to narrow the current wage gap, encouraged by appropriate consultations on an international basis.

This philosophy of the free market—the wider economic choice for men and nations—is as old as freedom itself. It is not a partisan philosophy. For many years our trade legislation has enjoyed bipartisan backing from those members of both parties who recognized how essential trade is to our basic security abroad and our economic health at home. This is even more true today. The Trade Expansion Act of 1962 is designed as the expression of a nation, not of any single faction, not of any single faction or section. It is in that spirit that I recommend it to the Congress for prompt and favorable action.

II. PROVISIONS OF THE BILL

New negotiating authority: To achieve all of the goals and gains set forth above—to empower our negotiators with sufficient authority to induce the EEC to grant wider access to our goods and crops and fair treatment to those of Latin America, Japan, and other countries—and to be ready to talk trade with the Common Market in practical terms—it is essential that our bargaining authority be increased in both flexibility and extent. I am therefore requesting two basic kinds of authority to be exercised over the next 5 years:

First, a general authority to reduce existing tariffs by 50 percent in reciprocal negotiations. It would be our intention to employ a variety of techniques in exercising this authority, including negotiations on broad categories or subcategories of products.

Second, a special authority, to be used in negotiating with the EEC, to reduce or eliminate all tariffs on those groups of products where the United States and the EEC together account for 80 percent or more of world trade in a representative period. The fact that these groups of products fall within this special or "dominant supplier" authority is proof that they can be produced here or in Europe more efficiently than anywhere else in the world. They include most of the products which the members of the Common Market are especially interested in trading with us, and most of the products for which we want freer access to the Common Market; and to a considerable extent they are items in which our own ability to compete is demonstrated by the fact that our exports of these items are substantially greater than our imports. They account for nearly $2 billion of our total industrial exports to present and prospective Common Market members in 1960, and for about $1.4 billion of our imports from these countries. In short, this special authority will enable us to negotiate for a dramatic agreement with the Common Market that will pool our economic strength for the advancement of freedom.

To be effective in achieving a breakthrough agreement with the EEC so that our farmers, manufacturers, and other free world trading partners can participate we will need to use both the dominant supplier authority and the general authority in combination. Reductions would be put into effect gradually in stages over 5 years or more. But the traditional technique of trading one brick at a time off our respective tariff walls will not suffice to assure American farm and factory exports the kind of access to the European market which they must have if trade between the two Atlantic markets is to expand. We must talk instead in terms of trading whole layers at a time in exchange for other layers, as the Europeans have been doing in reducing their internal tariffs, permitting the forces of competition to set new trade patterns. Trading in such an enlarged basis not possible, the EEC has found, if traditional item-by-item economic histories are to dominate. But let me emphasize that we mean to see to it that all reductions and concessions are reciprocal, and that the access we gain is not limited by the use of quotas or other restrictive devices.

Safeguarding interests of other trading partners: In our negotiations with the Common Market, we will preserve our traditional most-favored-nation principle under which any tariff concessions negotiated will be generalized to our other trading partners. Obviously, in special authority agreements where the United States and the EEC are the dominant suppliers, the participation of other nations often would not be significant. On other items, where justified, compensating concessions from other interested countries should be obtained as part of the negotiations. But in essence we must strive for a nondiscriminatory trade partnership with the EEC. If it succeeds only in splintering the free world, or increasing the disparity between rich and poor nations, it will have failed to achieve one of its major purposes. The negotiating authority under this bill will thus be used to strengthen the ties of both "common markets" with, and expand our own trade in, the Latin American Republics, Canada, Japan, and other non-European nations, as well as helping them maximize their opportunities to trade with the Common Market.

The bill also requests special authority to reduce or eliminate all duties and other restrictions on the importation of tropical agricultural and forestry products supplied by friendly less-developed countries and not produced here in any significant quantity, if our action is taken in concert with similar action by the Common Market. These tropical products are the staple exports of many less-developed countries. Their efforts for economic development and diversification must be advanced out of earnings from these products. By assuring them as large a market as possible, we are bringing closer the day when they will be able to finance their own development needs on a self-sustaining basis.

Safeguards to American industry: If the authority requested in this act is used, imports as well as exports will increase; and this increase will, in the overwhelming number of cases, be beneficial for the reasons outlined above. Nevertheless ample safeguards against injury to American industry and agriculture will be retained. Escape-clause relief will continue to be available with more up-to-date definitions. Temporary tariff relief will be granted where essential. The power to impose duties or suspend concessions to protect the national security will be retained. Articles will be reserved from negotiations whenever such action is deemed to be in the best interest of the Nation and the economy. And the four basic stages of the traditional peril-point procedures and safeguards will be retained and improved:

The President will refer to the Tariff Commission the list of proposed items for negotiations;

The Tariff Commission will conduct hearings to determine the effect of concessions on these products;

The Commission will make a report to the President, specifically based, as such reports are based now, upon its findings of how new imports might lead to the idling of productive facilities, the inability of domestic producers to operate at a profit and the unemployment of workers as the result of anticipated reductions in duties; and

The President will report to the Congress on his action after completion of the negotiations. The present arrangements will be substantially improved, however, since both the Tariff Commission recommendation and the President's report would be broader than a bare determination of specific peril points; and this should enable us to make much more informed use of these recommendations than has been true in the past.

Trade adjustment assistance: I am also recommending as an essential part of the new trade program that companies, farmers, and workers who suffer damage from increased foreign import competition be assisted in their efforts to adjust to that competition. When considerations of national policy make it desirable to avoid higher tariffs, those injured by that competition should not be required to bear the full brunt of the impact. Rather, the burden of economic adjustment should be borne in part by the Federal Government.

Under existing law, the only alternatives available to the President are the imposition or refusal of tariff relief. These alternatives should continue to be available.

The legislation I am proposing, however, provides an additional alternative called trade adjustment assistance.

This alternative will permit the executive branch to make extensive use of its facilities, programs, and resources to provide special assistance to farmers, firms, and their employees in making the economic readjustments necessitated by the imports resulting from tariff concessions.

Any worker or group of workers unemployed or underemployed as a result of increased imports would, under this bill, be eligible for the following forms of assistance:

1. Readjustment allowances providing as much as 65 percent of the individual's average weekly wage for up to 52 weeks for all workers, and for as many as 13 additional weeks for workers over 60, with unemployment insurance benefits deducted from such allowances to the extent available;

2. Vocational education and training assistance to develop higher and different skills;

3. Financial assistance for those who cannot find work in their present community to relocate to a different place in the United States where suitable employment is available.

For a businessman or farmer adversely affected by imports, there should be available:

1. Technical information, advice, and consultation to help plan and implement an attack on the problem;

2. Tax benefits to encourage modernization and diversification;

3. Loan guarantees and loans otherwise not commercially available to aid modernization and diversification.

Just as the Federal Government has assisted in personal readjustments made necessary by military service, just as the Federal Government met its obligation to assist industry in adjusting to war production and again to return to peacetime production, so there is an obligation to render assistance to those who suffer as a result of national trade policy. Such a program will supplement and work in coordination with, not duplicate, what we are already doing or proposing to do for depressed areas, for small business, for investment incentives, and for the retraining and compensation of our unemployed workers.

This cannot be and will not be a subsidy program of Government paternalism. It is instead a program to afford time for American initiative, American adaptability and American resiliency to assert themselves. It is consistent with that part of the proposed law which would stage tariff reductions over a 5-year period. Accordingly, trade adjustment assistance, like the other provisions of the Trade Expansion Act of 1962, is designed to strengthen the efficiency of our economy, not to protect inefficiencies.

Authority to grant temporary tariff relief will remain available to assist those industries injured by a sudden influx of goods under revised tariffs. But the accent is on "adjustment" more than "assistance." Through trade adjustment prompt and effective help can be given to those suffering genuine hardship in adjusting to import competition, moving men and resources out of uneconomic production into efficient production and competitive positions, and in the process preserving the employment relationships between firms and workers wherever possible. Unlike tariff relief, this assistance can be tailored to their individual needs without disrupting other policies. Experience with a similar kind of program in the Common Market, and in the face of more extensive tariff reductions than we propose here, testifies to the effective but relatively inexpensive nature of this approach. For most affected firms will find that the adjustment involved is no more than the adjustment they face every year or few years as the result of changes in the economy, consumer taste, or domestic competition.

The purpose of this message has been to describe the challenge we face and the tools we need. The decision rests with the Congress. That decision will either mark the beginning of a new chapter in the alliance of free nations or a threat to the growth of Western unity. The two great Atlantic markets will either grow together or they will grow apart. The meaning and range of free economic choice will either be widened for the benefit of freemen everywhere—or confused and constricted by new barriers and delays.

Last year, in enacting a long-term foreign aid program, the Congress made possible a fundamental change in our relations with the developing nations. This bill will make possible a fundamental, far-reaching and unique change in our relations with the other industrialized nations—particularly with the other members of the Atlantic community. As NATO was unprecedented in military history, this measure is unprecedented in economic history. But its passage will be long-remembered and its benefits widely distributed among those who work for freedom.

At rare moments in the life of this Nation an opportunity comes along to fashion out of the confusion of current events a clear and bold action to show the world what it is we stand for. Such an opportunity is before us now. This bill, by enabling us to strike a bargain with the Common Market, will "strike a blow" for freedom.

JOHN F. KENNEDY.

THE WHITE HOUSE, *January 25, 1962.*

MARITIME INDUSTRY DISPUTE—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States, which was read and referred to the Committee on Education and Labor:

To the Congress of the United States:

Pursuant to the Labor-Management Relations Act, 1947, as amended, I am reporting to the Congress about the recent labor dispute in the maritime industry.

A strike took place at 12:01 a.m., June 16, 1961. Although only the ships in port and the employees on such ships were immediately affected, the dispute involved virtually all American shipping companies, some 70,000 employees and about 900 ships and affected the trade and commerce of every Atlantic, Pacific, and gulf port in the United States.

On June 26, by Executive Order 10949, I established a Board of Inquiry, consisting of the Honorable David Cole, Chairman, Judge Samuel I. Rosenman and Prof. James J. Healy, to inquire into the issues involved in the dispute and report to me on or before June 30, in accordance with the provisions of section 206 of the Labor-Management Relations Act, 1947, as amended. I subsequently extended the time for the submission of the initial report of the Board of Inquiry to July 3.

That report concisely presented the facts with respect to the dispute and the positions of the parties as required by law.

On July 3, acting on my instruction, the Attorney General filed a petition in the District Court for the Southern District of New York seeking an injunction against the continuance of the strike. A hearing was held on the Government's motion for a temporary restraining order on July 3, and the court, after finding that the strike affected a substantial portion of the maritime industry, and that it would imperil the national health and safety if permitted to continue, temporarily restrained the strike activities until July 8. A stay of that order sought immediately by the unions was denied by Circuit Judge Clark. (*United States* v. *National Marine Engineers' Beneficial Association, et al.*, 292 F. 2d 190, CA 2, July 8, 1961.)

A hearing was held on the Government's motion for a preliminary injunction on July 7, and the temporary restraining order was extended until July 12. Two days before this order was to expire, the court found that it had been "abundantly and overwhelmingly established" that the strike was affecting a substantial portion of the industry, and if permitted to continue would imperil the national health and safety. In addition, it rejected the contention of the National Maritime Engineers' Beneficial Association and the International Organization of Masters, Mates and Pilots that, because their membership consists of "supervisors," their participation in the strike could not be enjoined. (*United States* v. *National Maritime Union of America, et al.*, 196 F. Supp. 374, S.D.N.Y., July 10, 1961.)

The unions appealed to the U.S. Court of Appeals, Second Circuit, which, in an opinion issued August 22, affirmed the lower court's decision. (*United States* v. *National Marine Engineers' Beneficial Association, et al.*, 294 F. 2d 385, CA 2.)

Pursuant to section 209(b) of the Labor-Management Relations Act of 1947, as amended, I reconvened the Board of Inquiry. The Board held meetings with the parties and obtained the information required for its further report of the current position of the parties and the efforts which had been made for settlement, including a statement by each party of its position and a statement of the employer's last offer of settlement.

87TH CONGRESS
2D SESSION

H. R. 9900

IN THE HOUSE OF REPRESENTATIVES

JANUARY 25, 1962

Mr. MILLS introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—TITLE, EFFECTIVE DATE, AND PURPOSES

SEC. 101. SHORT TITLE AND EFFECTIVE DATE.

This Act may be cited as the "Trade Expansion Act of 1962", and shall take effect on July 1, 1962.

SEC. 102. STATEMENT OF PURPOSES.

It is the purpose of this Act, by lowering trade barriers through trade agreements affording mutual benefits, to stimulate the economic growth of the United States, maintain and enlarge foreign markets for the products of United States industry and agriculture, and make available to the people of the United States a greater variety of goods at lower prices; to strengthen economic and political relations with the European Economic Community and foreign countries through the development of an open and nondiscriminatory trading system in the free world; to assist in the sound economic progress of countries in the earlier stages of economic development; and to counter economic penetration by international communism. In addition, it is the purpose of this Act to provide appropriate assistance to enterprises, workers, and farmers of the United States in adjusting to new conditions which may result from increased trade with the European Economic Community and foreign countries.

TITLE II—TRADE AGREEMENTS

CHAPTER 1—GENERAL AUTHORITY

SEC. 201. AUTHORITY FOR ALL TRADE AGREEMENTS.

(a) In order to further the purposes of this Act, the President may, until the close of June 30, 1967, enter into trade agreements with foreign countries or instrumentalities thereof; and he may proclaim, in accordance with the provi-

sions of this title, such continuance, reduction, or elimination of any existing duty or other import restriction, or such continuance of existing duty-free or excise treatment, as he determines to be required or appropriate to carry out such trade agreements.

(b) In carrying out any trade agreement under this title, the President shall not proclaim a rate of duty on any article lower than 50 percent of the rate of duty existing on July 1, 1962, except as otherwise provided in this title.

SEC. 202. AUTHORITY FOR LOW-RATE ARTICLES.

In carrying out any trade agreement under this title, the President may proclaim duty-free treatment for any article which is subject to a rate of duty existing on July 1, 1962, of not more than 5 percent ad valorem or to a rate of duty existing on that date the ad valorem equivalent of which is not more than 5 percent.

CHAPTER 2—SPECIAL AUTHORITY FOR EUROPEAN ECONOMIC COMMUNITY

SEC. 211. BASIC AUTHORITY.

(a) If the President determines that the United States and the European Economic Community together account for 80 percent or more of the aggregated world export value of all the articles within any category, he may, in carrying out any trade agreement with the European Economic Community under this title, issue proclamations as to articles

within such category without regard to the limitation expressed in section 201 (b) of this Act.

(b) For the purpose of a trade agreement with the European Economic Community under this section, the categories to which the authority granted in subsection (a) of this section applies shall be those determined by the President prior to entering into such trade agreement.

(c) For the purpose of making a determination as to any category under subsection (a) of this section:

(1) The "European Economic Community" means the European Economic Community as of the date of the request under subsection (d) of this section;

(2) The determination of the "world export value" shall be made on the basis of a representative period falling between December 31, 1956, and the date of the request under subsection (d) of this section. Such determination shall exclude exports from any country of the European Economic Community to another such country, and shall exclude exports from any country dominated or controlled by international communism within the representative period to another country so dominated or controlled; and

(3) A "category" is any three-digit group of the Standard International Trade Classification in the edition

current on the date of the request under subsection (d) of this section.

(d) In making a determination under subsection (a) of this section as to any category, the President shall request the advice of the Tariff Commission as to the articles falling within the category, the representative period for computation with respect to such category, and the world export value of such articles in the representative period.

SEC. 212. AGRICULTURAL COMMODITIES.

In addition to other authority provided in this title, the President may, in carrying out any trade agreement with the European Economic Community under this title, issue proclamations as to any agricultural commodity or product thereof without regard to the limitation expressed in section 201 (b) of this Act, if he determines that such agreement will tend to assure the maintenance or expansion of United States exports of such commodity or product thereof.

SEC. 213. TROPICAL AGRICULTURAL AND FORESTRY COMMODITIES.

(a) In addition to other authority provided in this title, the President may, in carrying out any trade agreement under this title, proclaim the reduction or elimination of any existing duty or other import restriction on any tropical agricultural or forestry commodity or primary product there-

of without regard to the limitation expressed in section 201 (b) of this Act, if he determines that—

(1) the European Economic Community has made commitments to make comparable reductions or eliminations in duties or other import restrictions with respect to such commodity or product substantially without differential treatment; and

(2) such commodity or product is not produced in significant quantities in the United States.

(b) For the purpose of this section, a "tropical commodity" is a commodity with respect to which the President determines that the principal world output is in the area of the world between 20 degrees north and 20 degrees south latitude.

CHAPTER 3—PREREQUISITES TO NEGOTIATIONS

SEC. 221. TARIFF COMMISSION ADVICE ON NEGOTIATIONS.

(a) Before entering into negotiations for any trade agreement under this title, the President shall furnish the Tariff Commission with a list of articles or categories of articles proposed to be the subjects of such negotiations.

(b) Within six months of receipt of such list, the Tariff Commission shall advise the President of its judgment as to the economic effect of reductions or eliminations in duties

or other import restrictions on United States firms and workers in industries producing like or directly competitive articles. In so advising the President, the Tariff Commission shall take into account the probability of the occurrence on a widespread basis in the industry of significant idling of productive facilities of firms, of prolonged and persistent inability of firms to operate at a profit, and of unemployment or underemployment of workers.

(c) In the course of preparing such advice, the Tariff Commission may hold hearings, giving reasonable public notice thereof, to afford opportunity for interested persons to be present, to produce evidence, and to be heard.

(d) No trade agreement shall be entered into until the President shall have received advice from the Tariff Commission under this section or until the expiration of the six-month period, whichever shall occur earlier.

SEC. 222. RESERVATION OF ARTICLES.

The President shall reserve, from negotiations under this title for the reduction or elimination of any duty or import restriction, any article as to which there is in effect, at the time of such negotiations, any action taken under section 232 or 351 of this Act, under section 2(b) of the Act entitled "An Act to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended", approved July 1, 1954, as amended (19

U.S.C. 1352a), or under section 7 of the Trade Agreements Extension Act of 1951, as amended (19 U.S.C. 1364), and may so reserve any other article he determines to be appropriate, taking into consideration the advice of the Tariff Commission furnished under section 221(b) of this Act.

SEC. 223. NOTICE.

Before entering into negotiations for any trade agreement under this title, the President shall afford an opportunity, after reasonable public notice, for any interested person to present his views, including views on the reservation of any article from the negotiations.

SEC. 224. TRANSMISSION TO CONGRESS.

After entering into any trade agreement under this title, the President shall transmit to the Congress a copy of such agreement, stating, in the light of the advice of the Tariff Commission furnished under section 221(b) of this Act and of other relevant considerations, his reasons for entering into the agreement.

CHAPTER 4—NATIONAL SECURITY

SEC. 231. PRODUCTS OF COMMUNIST COUNTRIES.

The President shall refrain from applying any reduction or elimination of any duty or other import restriction proclaimed in carrying out any trade agreement under this title or any predecessor Act, to products of any country or area

dominated or controlled by international communism, whether imported directly or indirectly.

SEC. 232. SAFEGUARDING NATIONAL SECURITY.

(a) No action shall be taken under this title if the President determines that such action would threaten to impair the national security.

(b) (1) Upon request of the head of any agency, upon application of any interested party, or upon his own motion, the President shall immediately make an appropriate investigation, in the course of which he shall seek information and advice from appropriate agencies to determine the effects on the national security of imports of the article which is the subject of such request, application, or motion.

(2) If, as a result of such investigation, the President is of the opinion that such article is being imported into the United States in such quantities or under such circumstances as to threaten to impair the national security, he shall take such action, and for such time, as he deems necessary to adjust the imports of such article and its derivatives so that such imports will not so threaten to impair the national security.

(3) For the purpose of this section, the President shall, in the light of the requirements of national security

and without excluding other relevant factors, give consideration to domestic production needed for projected national defense requirements, the capacity of domestic industries to meet such requirements, existing and anticipated availabilities of the human resources, products, raw materials, and other supplies and services essential to the national defense, the requirements of growth of such industries and such supplies and services including the investment, exploration, and development necessary to assure such growth, and the importation of goods in terms of their quantities, availabilities, character, and use as those affect such industries and the capacity of the United States to meet national security requirements. In the administration of this section, the President shall further recognize the close relation of the economic welfare of the Nation to our national security, and shall take into consideration the impact of foreign competition on the economic welfare of individual domestic industries; and any substantial unemployment, decrease in revenues of Government, loss of skills or investment, or other serious effects resulting from the displacement of any domestic products by excessive imports shall be considered, without excluding

other factors, in determining whether such weakening of our internal economy may impair the national security.

(4) A report shall be made and published by the President upon the disposition of each request, application, or motion under this subsection.

CHAPTER 5—GENERAL PROVISIONS

SEC. 241. MOST-FAVORED-NATION PRINCIPLE.

Except as otherwise provided in this title, any duty or other import restriction proclaimed in carrying out any trade agreement under this title or any predecessor Act shall apply to products of all foreign countries, whether imported directly or indirectly.

SEC. 242. SUSPENSION OF BENEFITS.

The President shall, when he determines that the purposes of this Act will be promoted thereby, suspend the reduction or elimination of any duty or other import restriction provided in any proclamation issued in carrying out any trade agreement under this title or any predecessor Act to products of any foreign country which engages in discriminatory treatment of United States commerce or engages in other acts, including the operations of international car-

tels, or policies which in his opinion tend to defeat such purposes.

SEC. 243. STAGING REQUIREMENTS.

(a) In order to enable United States firms and workers to adjust to the effects of reductions or eliminations of duties or other import restrictions proclaimed in carrying out trade agreements under this title, any such reduction or elimination shall not, except as otherwise provided in this section, take effect more rapidly than in five equal annual installments. The total reduction may, however, take effect in installments at unequal intervals and in unequal amounts so long as, at any one time, the sum of the reductions that have taken effect does not exceed the sum of the reductions that would have been in effect if the proclamation had provided for the total reduction to become effective in five equal annual installments.

(b) The limitations expressed in subsection (a) of this section—

(1) Shall not apply to actions taken under section 202 or 213 of this title or where the total reduction is not more than 25 percent of the existing rate; and

(2) shall not preclude a reduction in any one year of up to 5 percent ad valorem or up to an amount the ad valorem equivalent of which is 5 percent.

SEC. 244. TERMINATION.

(a) Every trade agreement under this title shall be subject to termination or withdrawal, upon due notice, at the end of a period specified in the agreement which shall not be more than three years from the date on which the agreement becomes effective, and, if the agreement is not terminated at the end of such period, it shall be subject to termination or withdrawal thereafter upon not more than six months' notice.

(b) The President may at any time terminate, in whole or in part, any proclamation issued under this title. Termination in part of a proclamation reducing a rate of duty may include the proclamation, as required or appropriate to carry out any trade agreement under this title or any predecessor Act, of a rate of duty higher than such reduced rate but not higher than the rate which would have been applicable if the proclamation had been terminated in whole.

SEC. 245. ROUNDING AUTHORITY.

The President may, by rounding fractions or decimals, proclaim a rate of duty with respect to any article which is lower than the lowest rate of duty permitted by section 201 (b) or by section 243 if—

(a) he determines that such rounding will simplify

the calculation of the amount of duty collectible with respect to such article; and

(b) the difference between the lowest rate of duty permitted by the applicable section and the rate of duty to be proclaimed is not greater than—

(1) the difference between the lowest rate of duty permitted by such section and the next lower whole number, or

(2) one-half of 1 percent ad valorem or an amount the ad valorem equivalent of which is one-half of 1 percent.

SEC. 246. DEFINITIONS.

For the purpose of this title—

(a) The term "European Economic Community" means all countries which at the relevant date in question are committed to achieve a common external tariff through that instrumentality.

(b) The term "trade agreement with the European Economic Community" means a trade agreement with all the countries of the European Economic Community as of the date the agreement is entered into, or with the instrumentality of that name, whether or not there are also other parties thereto.

(c) (1) The term "existing on July 1, 1962", as applied to a rate of duty, refers to the rate which existed on

July 1, 1962, with respect to products of the area to which any particular trade agreement applies, or the lowest rate to which the United States on such date was committed by trade agreement under a predecessor Act, whichever is the lower.

(2) The term "existing", without the specification of any date, when used with respect to any matter relating to entering into a trade agreement under this title or any predecessor Act or the issuance of a proclamation to carry out such agreement, means existing, with respect to products of the area to which the trade agreement applies, on the date on which such agreement was entered into.

(3) For the purpose of this paragraph (c), an existing rate is a rate however established and even though temporarily suspended by an Act of Congress or otherwise.

(d) The term "ad valorem equivalent" means the ad valorem equivalent of a specific rate or, in the case of a compound rate, the sum of such ad valorem equivalent of the specific part of the rate and of the ad valorem part of the rate. The ad valorem equivalent shall be determined by the President on the basis of the value of imports of the article concerned during a period determined by him to be representative. In determining the value of imports, the President shall utilize, to the maximum extent practicable, the standards of valuation contained in section 402 or 402a of

the Tariff Act of 1930, as amended (19 U.S.C. 1401a or 1402), applicable to the article concerned during the representative period.

SEC. 247. RELATION TO OTHER LAWS.

(a) The provisions of section 336 of the Tariff Act of 1930, as amended (19 U.S.C. 1336), shall not apply to any article which is the subject of a continuance, reduction, elimination, or increase proclaimed in carrying out any trade agreement under this title or any predecessor Act.

(b) For the purpose of this Act or of any proclamation issued under this or any predecessor Act, legislation enacted after June 11, 1934, which has the effect of changing indefinitely the duty status of an article, shall, until modified or repealed, be considered as having been in effect since June 12, 1934.

SEC. 248. REPEALS.

The following are repealed:

(a) Section 350 of the Tariff Act of 1930, as amended (19 U.S.C. 1351). Notwithstanding such repeal—

(1) the authority of the President to issue proclamations to carry out trade agreements entered into under section 350 and to terminate, in whole or part, proclamations to carry out such trade agreements shall continue; and

(2) the provisions of the first two sentences of

subsection (b) of section 350 shall remain applicable to this title and to trade agreements under section 350 and this title.

(b) Sections 2 through 4 of the Act entitled "An Act to amend the Tariff Act of 1930", approved June 12, 1934, as amended (19 U.S.C. 1352, 1353, and 1354). Notwithstanding such repeal—

(1) the provisions of the third sentence of section 2 of that Act shall remain applicable to this title and to trade agreements entered into under this title and any predecessor Act;

(2) compliance prior to July 1, 1962, with any of the procedures of section 4 of that Act shall be considered compliance with any comparable procedures of section 221 of this Act.

(c) The Trade Agreements Extension Act of 1951, as amended (19 U.S.C. 1360–1367). Notwithstanding such repeal—

(1) action taken by the President prior to July 1, 1962, under section 5 of that Act shall be considered as having been taken by the President under section 231 of this Act; and

(2) any proclamation issued by the President under section 7 of that Act in effect on July 30, 1962,

shall be considered as having been issued by the President under section 351 of this Act, except that, in the case of any proclamation issued more than three years prior to the effective date of this Act, the termination date for the purpose of section 351 (c) of this Act shall be one year after the effective date of this Act. Any investigation by the Tariff Commission in progress on June 30, 1962, shall be continued under section 306 of this Act.

(d) Section 2 of the Act entitled "An Act to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended", approved July 1, 1954, as amended (19 U.S.C. 1352a). Notwithstanding such repeal, any action taken by the President, under subsection (b) of such section, in effect on June 30, 1962, shall be considered as having been taken under section 232 of this Act, and any investigation by the Director of the Office of Emergency Planning in progress on June 30, 1962, shall be continued under section 232 of this Act.

SEC. 249. SAVING PROVISIONS.

(a) The repeal by this Act of a provision of law effecting an amendment to any other law, except a law repealed by this Act, shall not be deemed to affect such amendment.

(b) The repeal by this Act of a provision of law repeal-

ing any other provision of law shall not be deemed to affect such repeal.

SEC. 250. REFERENCES.

All provisions of law in effect after June 30, 1962, referring to section 350 of the Tariff Act of 1930, to that section as amended, to the Act entitled "An Act to amend the Tariff Act of 1930", approved June 12, 1934, to that Act as amended, or to agreements entered into, or proclamations issued, under any of the foregoing provisions, shall be construed, unless clearly precluded by the context, to refer also to this Act, or to agreements entered into, or proclamations issued, pursuant to this Act.

TITLE III—ADJUSTMENT ASSISTANCE

CHAPTER 1—ELIGIBILITY FOR ASSISTANCE

SEC. 301. ADJUSTMENT ASSISTANCE.

In order to facilitate adjustment of United States firms and workers to conditions that may result from action taken by the President in carrying out trade agreements, the President is authorized, after receiving the advice of the Tariff Commission, to determine that adjustment assistance may be furnished in the form of trade readjustment allowances, training, and relocation allowances for workers; technical assistance, financial assistance, and tax relief for firms; and,

as extraordinary relief, increased duties or other import restrictions for industries, all as provided in this title. Such forms of assistance may be granted singly or in combination.

SEC. 302. DETERMINATIONS AS TO FIRMS.

A firm shall be eligible to apply for adjustment assistance under chapter 2 of this title if the President determines that, as a result of continuance, reduction, or elimination of a duty or other import restriction, or continuance of duty-free or excise treatment under a trade agreement, an article like or directly competitive with an article produced by the firm is being imported into the United States in such increased quantities as to cause, or immediately threaten to cause (1) significant idling of the productive facilities of the firm, (2) prolonged and persistent inability of the firm to operate at a profit, or (2) unemployment or underemployment of a significant number of the workers of the firm.

SEC. 303. DETERMINATIONS AS TO WORKERS.

Workers shall be eligible to apply for adjustment assistance under chapter 3 of this title if the President determines with respect to such workers' firm, or an appropriate subdivision thereof, that, as a result of continuance, reduction, or elimination of a duty or other import restriction, or continuance of duty-free or excise treatment under a trade agreement, an article like or directly competitive with an article produced by such firm or subdivision is being imported into

the United States in such increased quantities as to cause, or immediately threaten to cause, unemployment or underemployment of a significant number of the workers of such firm or subdivision. As part of such determination, the President shall also determine the date on which the conditions specified in the preceding sentence began or threatened to begin.

SEC. 304. PETITIONS FOR DETERMINATIONS AS TO FIRMS AND WORKERS.

(a) Petitions for determinations of eligibility to apply for adjustment assistance for firms and workers shall be filed with the President. If adjustment assistance is sought for a firm such petition may be filed by the firm or its representative. If adjustment assistance is sought for workers such petition may be filed by the workers or by their certified or recognized union or other duly authorized representative.

(b) When a petition is filed pursuant to subsection (a) of this section, the President shall transmit a copy of the petition to the Tariff Commission. The Tariff Commission shall, within forty-five days after receipt of such copy, advise the President regarding the extent to which imports of an article like or directly competitive with the domestic article in question have increased as a result of the action of the President upon which the petition is based. The Tariff

Commission shall also transmit, at the same time and in appropriate form, such other information regarding the industry or segment of the industry in which the petitioner is located, as it may have or may reasonably be able to obtain and as may be useful in determining the petitioner's eligibility to apply for adjustment assistance.

SEC. 305. DETERMINATIONS AS TO INDUSTRIES.

An industry shall be eligible to receive, as extraordinary relief, adjustment assistance under chapter 4 of this title if the President determines that—

(a) as a result of continuance, reduction, or elimination of a duty or other import restriction, or continuance of duty-free or excise treatment under a trade agreement, an article like or directly competitive with an article produced by the industry is being imported into the United States in such increased quantities as to cause, or immediately threaten to cause, on a widespread basis in the industry, (1) significant idling of productive facilities of firms, (2) prolonged and persistent inability of firms to operate at a profit, and (3) unemployment or underemployment of workers; and

(b) reasonable efforts in the industry to adjust have been made and have not substantially mitigated the conditions found to exist under subsection (a) of this

section, and adjustment assistance under chapter 2 or 3 of this title to the firms or workers in the industry is or would be inadequate to mitigate substantially such conditions.

SEC. 306. PETITIONS FOR ADJUSTMENT ASSISTANCE FOR INDUSTRIES.

(a) A petition for adjustment assistance for an industry shall be filed with the Tariff Commission on behalf of the industry by a trade association, firm, certified or recognized union, or other representative.

(b) The Tariff Commission shall, within six months after the filing of a petition, advise the President whether in its judgment the conditions specified in section 305 (a) of this Act exist. The Tariff Commission shall also transmit, at the same time and in appropriate form, such other information as it may have or may reasonably be able to obtain and as may be useful in determining whether the conditions specified in section 305 (b) of this Act exist.

CHAPTER 2—ASSISTANCE TO FIRMS

SEC. 311. ASSISTANCE TO FIRMS.

(a) A firm eligible to apply for adjustment assistance as a result of a determination made under section 302 of this Act may file an application with such agency as the President may designate as the administering agency, for

adjustment assistance in accordance with this chapter; and, within a reasonable time after filing its application, the firm shall present a proposal for its economic adjustment.

(b) Except as provided in section 312 (a) of this Act, no assistance shall be provided to a firm under this chapter until its adjustment proposal shall have been certified by the administering agency (1) to be reasonably calculated materially to contribute to the economic adjustment of the firm, (2) to give adequate consideration to the interests of its workers adversely affected by actions taken in carrying out trade agreements, and (3) to demonstrate that the firm will make all reasonable efforts to use its own resources for economic adjustment.

(c) Except as provided in section 312 (a) of this Act, no assistance shall be provided to a firm under this chapter except as the administering agency determines to be necessary to carry out a certified adjustment proposal.

(d) Certifications pursuant to this section shall remain in force only for such period as the administering agency may prescribe by regulation.

SEC. 312. TECHNICAL ASSISTANCE.

(a) Upon receipt of an application for adjustment assistance by a firm and prior to certification under section 311 of this Act, the administering agency may provide technical

assistance to aid the firm in preparing a sound adjustment proposal.

(b) After certification of a firm's adjustment proposal, the administering agency may provide to the certified firm, on such terms and conditions as it deems appropriate, such technical assistance as in its judgment will materially contribute to the economic adjustment of the firm.

(c) Technical assistance under this section may include information, market and other economic research, managerial advice and counseling, training, assistance in research and development, and such other technical assistance as may be appropriate. Technical assistance shall be provided by agencies of the United States where appropriate, and otherwise may be provided through private individuals, firms, or suitable institutions.

(d) The administering agency shall require the firm to share the cost of technical assistance when and to the extent the agency deems it appropriate.

SEC. 313. AUTHORITY CONCERNING FINANCIAL ASSISTANCE.

(a) The administering agency may provide to a certified firm, on such terms and conditions as the agency deems appropriate, such financial assistance in the form of guaran-

tees of loans, agreements for deferred participations in loans, or loans, as in the judgment of the agency will materially contribute to the economic adjustment of the firm. The assumption of an outstanding indebtedness of the applicant firm, with or without recourse, shall be considered to be a loan for the purpose of this chapter.

(b) Guarantees, agreements, or loans shall be made under this section only for the purpose of making funds available to the firm (1) for construction, installation, modernization, development, conversion, or expansion of land, plant, buildings, equipment, facilities, or machinery, or (2) in cases of demonstrated need, to supply working capital for developing its export trade, financing technical assistance, or for other purposes.

SEC. 314. TERMS AND LIMITATIONS FOR FINANCIAL ASSISTANCE.

(a) No loan shall be guaranteed and no agreement for deferred participation in a loan shall be made by the administering agency in an amount which exceeds 90 percent of that portion of the loan made for the purposes specified in section 313 (b) of this Act.

(b) No loan made or deferred participation taken up by the administering agency shall bear interest at a rate less than 4 percent per annum or less than the rate determined

by the Secretary of the Treasury as provided for in section 316(c) of this Act for the year in which the loan is made or the agreement for such deferred participation is entered into, whichever is greater.

(c) Guarantees or agreements for deferred participation shall be made by the administering agency only with respect to loans from private sources bearing interest at a rate determined by the administering agency to be reasonable. In no event shall the guaranteed portion of any loan, or the portion covered by an agreement for deferred participation, bear interest at a rate more than 1 percent per annum above the rate specified as the minimum rate in subsection (b) of this section, unless the administering agency shall determine that special circumstances justify a higher rate, in which case such portion of the loan shall bear interest at a rate not more than 2 percent per annum above such minimum rate.

(d) The administering agency shall make no loan or guarantee having a maturity in excess of twenty-five years, including renewals and extensions, and shall make no agreement for deferred participation in a loan which has a maturity in excess of twenty-five years, including renewals and maturities. Such limitation on maturities shall not, however, apply to—

(1) Securities or obligations received by the admin-

istering agency as claimant in bankruptcy or equitable reorganization, or as creditor in other proceedings attendant upon insolvency of the obligor; or

(2) An extension for an additional period not exceeding ten years, if such extension is determined by the administering agency to be reasonably necessary for the orderly liquidation of the loan.

(e) No financial assistance shall be provided under this chapter unless the administering agency determines that the needed funds are not otherwise available to the firm from private sources on reasonable terms and that there is reasonable assurance of repayment by the borrower.

SEC. 315. ADMINISTRATION OF FINANCIAL ASSISTANCE.

In making and administering guarantees, agreements for deferred participation, and loans under this chapter, the administering agency may—

(a) require security for any such guarantee, agreement, or loan, and enforce, waive, or subordinate such security;

(b) assign or sell at public or private sale, or otherwise dispose of, upon such terms and conditions and for such consideration as it shall determine to be reasonable, any evidence of debt, contract, claim, personal property, or security assigned to or held by it in connection with such guarantees, agreements, or loans, and collect, compromise, and obtain

deficiency judgments with respect to all obligations assigned to or held by it in connection with such guarantees, agreements, or loans until such time as such obligations may be referred to the Attorney General for suit or collection;

(c) renovate, improve, modernize, complete, insure, rent, sell, or otherwise deal with, upon such terms and conditions and for such consideration as it shall determine to be reasonable, any real or personal property conveyed to, or otherwise acquired by it in connection with such guarantees, agreements, or loans;

(d) acquire, hold, transfer, release, or convey any property (real, personal, or mixed, tangible or intangible) or any interest therein whenever deemed necessary or appropriate and execute all legal documents for such purposes;

(e) exercise all such other powers and take all such other acts as may be necessary or incidental to the carrying out of functions under this chapter.

SEC. 316. REVOLVING FUND.

(a) There is hereby established in the Treasury a revolving fund, referred to in this section as "the Fund". Loans and other payments made under sections 313, 314, and 315 of this Act, together with the costs of administering financial assistance under these sections, shall be financed by the Fund, and all repayments of loans, payments of interest,

and other receipts arising out of transactions under these sections shall be paid into the Fund.

(b) There shall be maintained in the Fund operating reserves with respect to anticipated claims under guarantees and under deferred participation agreements made under section 313 of this Act. Such reserves shall be considered to constitute obligations for the purposes of section 1311 of the Supplemental Appropriation Act, 1955, as amended (31 U.S.C. 200).

(c) In order to provide capital for the Fund, there is hereby authorized to be appropriated from time to time not to exceed $100,000,000, which are authorized to remain available until expended. The capital of the Fund at any time shall be the sum of amounts appropriated under this subsection. Interest shall be paid to the Treasury on the net amount of the cash disbursements from such Fund as determined by the Secretary of the Treasury, and at a rate to be determined annually by him, taking into consideration the current average yields on outstanding interest-bearing marketable public debt obligations of the United States of maturities comparable to those of the loans outstanding under section 313 of this Act.

(d) In addition to the amounts appropriated pursuant to subsection (c) of this section, there are hereby authorized to be appropriated from time to time such amounts as may be

necessary to cover anticipated losses or to restore impairment of the capital of the Fund.

(e) In the performance of its functions under section 313 of this Act, the administering agency shall—

(1) prepare annually and submit a budget program subject to the provisions of sections 102, 103, and 104 of the Government Corporation Control Act, as amended (31 U.S.C. 847–849) ; and

(2) determine the character of and the necessity for obligations and expenditures and the manner in which they shall be incurred, allowed, and paid, subject to provisions of law specifically applicable to corporations of the United States.

SEC. 317. TAX RELIEF.

(a) The administering agency may provide to a firm certified under section 311 of this Act adjustment assistance in the form of tax relief as provided in this section, if it determines that such assistance will materially contribute to the economic adjustment of the firm.

(b) If a net operating loss (within the meaning of section 172 of the Internal Revenue Code of 1954 (26 U.S.C. 172)) was sustained by a firm with respect to any taxable year, and if such firm applies for tax relief under this section within twenty-four months after the close of the taxable year in which such loss was sustained, and if the

administering agency shall determine that such loss arose substantially out of the carrying on of a trade or business affected as specified in section 302 of this Act, and shall further determine that such tax relief is appropriate, a certification of such determination shall be issued to the firm. No determination or certification under this section shall constitute a determination of the existence or amount of any net operating loss.

(c) The certification shall entitle the firm to treat such net operating loss as provided in subsection (b) (1) (B) of section 172 of the Internal Revenue Code of 1954, as amended by subsection (d) of this section, if the firm files with the Secretary of the Treasury a notice of filing of its application for tax relief and, after its issuance, a copy of such certification. Copies of such notice and certification shall be filed at the times and in the manner prescribed by the Secretary of the Treasury.

(d) Subsection (b) of section 172 of the Internal Revenue Code of 1954 (relating to net operating loss carrybacks and carryovers) is hereby amended to read as follows:

"(b) NET OPERATING LOSS CARRYBACKS AND CARRYOVERS.—

"(1) YEARS TO WHICH LOSS MAY BE CARRIED.—A net operating loss for any taxable year ending after December 31, 1957, shall be—

"(A) except as provided in subparagraph (B), a net operating loss carryback to each of the 3 taxable years preceding the taxable year of such loss,

"(B) in the case of a taxpayer with respect to a taxable year for which a certification has been issued under section 317 of the Trade Expansion Act of 1962, a net operating loss carryback to each of 5 taxable years preceding the taxable year of such loss, and

"(C) a net operating loss carryover to each of the 5 taxable years following the taxable year of such loss.

Subparagraph (B) shall apply only if the taxpayer consents in writing to the assessment, within such period as may be agreed upon with the Secretary or his delegate, if any deficiency for any year to the extent attributable to the disallowance of a deduction previously allowed with respect to such net operating loss, even though at the time of filing such consent the assessments of such deficiency would otherwise be prevented by the operation of any law or rule of law.

"(2) AMOUNT OF CARRYBACKS AND CARRYOVERS.—Except as provided in subsection (i), the entire

amount of the net operating loss for any taxable year (hereinafter in this section referred to as the 'loss year') shall be carried to the earliest of the taxable years to which (by reason of subparagraphs (A) or (B), and subparagraph (C) of paragraph (1)) such loss may be carried. This portion of such loss which shall be carried to each of the other taxable years shall be the excess, if any, of the amount of such loss over the sum of the taxable income for each of the prior taxable years to which such loss may be carried. For purposes of the preceding sentence, the taxable income for any such prior taxable year shall be computed—

"(A) with the modifications specified in subsection (d) other than paragraphs (1), (4), and (6) thereof; and

"(B) by determining the amount of the net operating loss deduction without regard to the net operating loss for the loss year or for any taxable year thereafter, and the taxable income so computed shall not be considered to be less than zero.

"(3) If a corporation to which a certification under section 317 of the Trade Expansion Act of 1962 has been issued, made or was required to make a consolidated return, either for the taxable year with respect to which the certification was issued or for the preceding

taxable year affected by a net operating loss carried back from such year, the provisions of paragraph (1) (B) shall apply only to such extent and subject to such conditions, limitations, and exceptions as the Secretary or his delegate may by regulations prescribe."

(e) Subsection (h) of section 6501 of the Internal Revenue Code of 1954 (relating to limitations on assessment and collection in the case of net operating loss carrybacks) is amended by inserting before the period: ", or within eighteen months after the date on which the taxpayer files a certification issued under section 317 of the Trade Expansion Act of 1962 in accordance with the provisions of such section, whichever is later".

(f) Section 6511(d)(2)(A) of the Internal Revenue Code of 1954 (relating to special period of limitation on credit or refund with respect to net operating loss carrybacks) is amended to read as follows:

"(A) PERIOD OF LIMITATION.—If the claim for credit or refund relates to an overpayment attributable to a net operating loss carryback, in lieu of the 3-year period of limitation prescribed in subsection (a), the period shall be that period which ends with the expiration of the 15th day of the 40th month (or the 39th month, in the case of a corporation) following the end of the taxable

year of the net operating loss which results in such carryback, or the period prescribed in subsection (c) in respect of such taxable year, whichever expires later; except that—

"(i) with respect to an overpayment attributable to a net operating loss carryback to any year on account of a certificate issued to the taxpayer under section 317 of the Trade Expansion Act of 1962, the period shall not expire before the expiration of the sixth month following the issuance to the taxpayer of such certificate, and

"(ii) with respect to an overpayment attributable to the creation of, or an increase in, a net operating loss carryback as a result of elimination of excessive profits by a renegotiation (as defined in section 1481 (a) (1) (A)), the period shall not expire before September 1, 1959, or the expiration of the twelfth month following the month in which the agreement or order for the elimination of such excessive profits becomes final, whichever is the later.

In the case of such a claim, the amount of the

credit or refund may exceed the portion of the tax paid within the period provided in subsection (b)(2) or (c), whichever is applicable, to the extent of the amount of the overpayment attributable to such carryback."

SEC. 318. TIME FOR APPLICATION.

No application for adjustment assistance under section 311 of this Act shall be made later than two years after the date on which the firm was determined to be eligible to apply for such assistance under section 302 of this Act.

SEC. 319. PROTECTIVE PROVISIONS.

(a) Each recipient of assistance under this chapter shall keep records which fully disclose the amount and disposition by such recipient of the proceeds, if any, of such adjustment assistance, and which will facilitate an effective audit. The recipient shall also keep such other records as the administering agency may prescribe.

(b) The administering agency and General Accounting Office shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipient pertaining to adjustment assistance.

(c) No assistance shall be extended under this chapter to any firm unless the owners, partners, or officers certify

to the administering agency (1) the names of any attorneys, agents, and other persons engaged by or on behalf of the firm for the purpose of expediting applications for assistance of any sort under this chapter and (2) the fees paid or to be paid to any such person.

(d) No financial assistance shall be provided to any firm under section 313 of this Act unless the owners, partners, or officers shall execute an agreement binding them and the firm for a period of two years after such assistance is provided, to refrain from employing, tendering any office or employment to, or retaining for professional services any person who, on the date such assistance or any part thereof was provided, or within one year prior thereto, shall have served as an officer, attorney, agent, or employee occupying a position or engaging in activities which the administering agency shall have determined involve discretion with respect to the provision of such financial assistance.

SEC. 320. PENALTIES.

Whoever makes a false statement of a material fact knowing it to be false, or knowingly fails to disclose a material fact, or whoever willfully overvalues any security, for the purpose of influencing in any way the action of any agency under this chapter, or for the purpose of obtaining

money, property, or anything of value under this chapter, shall be fined not more than $5,000 or imprisoned for not more than two years, or both.

CHAPTER 3—ASSISTANCE TO WORKERS

SEC. 321. AUTHORITY.

(a) Workers eligible to apply for adjustment assistance as a result of a determination made under section 303 of this Act may file an application with such agency as the President may designate as the administering agency for adjustment assistance in accordance with this chapter.

(b) The administering agency shall determine in accordance with this chapter whether applicants are entitled to receive assistance under this chapter and shall pay or provide such assistance to applicants who are so entitled.

Subchapter A—Trade Readjustment Allowances

SEC. 322. QUALIFYING REQUIREMENTS.

(a) Payment of a trade readjustment allowance shall be made to an adversely affected worker for any week of unemployment which begins after the thirtieth day following the effective date of this Act and after the date determined under section 303 of this Act, subject to the requirements of subsections (b) and (c) of this section.

(b) Total or partial separation shall have occurred after

the date determined under section 303 of this Act and after the effective date of this Act but no later than two years after the date of the most recent determination which renders such worker eligible to apply for assistance under this chapter.

(c) Such worker shall have had (1) at least 78 weeks of employment in the 156 weeks immediately preceding such total or partial separation, and (2) at least 26 weeks of employment, in the 52 weeks immediately preceding such separation, in a firm or firms in which there was adversely affected employment, or (3) an equivalent amount of employment computed under regulations issued by the administering agency.

SEC. 323. WEEKLY AMOUNTS.

(a) Subject to the other provisions of this section, the trade readjustment allowance payable to an adversely affected worker for a week of unemployment shall be paid an amount equal to 65 percent of his average weekly wage or to 65 percent of the average weekly manufacturing wage, whichever is less, and if any remuneration for services is payable to him with respect to such week, then the amount of such allowance shall be reduced by 50 percent of such remuneration.

(b) Any adversely affected worker who is entitled to trade readjustment allowances and who is undergoing ap-

proved training, including on-the-job training, under this or any other Federal law heretofore or hereafter enacted, shall receive for each week in which he is undergoing any such training, in lieu of any weekly training allowance that may be provided by such other Federal law, the trade readjustment allowance computed according to subsection (a) of this section.

(c) The amount payable to an adversely affected worker under subsection (a) or (b) of this section shall be reduced by any amount of unemployment insurance to which he is entitled with respect to such week, whether or not he has filed a claim for such insurance.

(d) If the unemployment insurance payable to an adversely affected worker for any week of unemployment is less than the amount of the trade readjustment allowance to which he would be entitled if he applied for such allowance, he shall receive, when he applies for a trade readjustment allowance and is determined to be entitled to such allowance, an amount equal to such difference for all such weeks, and all such weeks shall be deducted from the total number of weeks of trade readjustment allowances otherwise payable to him under section 324 (a) of this Act.

(e) Whenever, with respect to any week of unemployment, the total amount payable to an adversely affected worker as remuneration for services, as unemployment in-

surance, and as a trade readjustment allowance would exceed 75 percent of his average weekly wage, his trade readjustment allowance for such week shall be reduced by the amount of such excess.

(f) The amount of any payment to be made under this section which is not a whole dollar amount shall be rounded upward to the next higher whole dollar amount.

SEC. 324. TIME LIMITATIONS ON TRADE READJUSTMENT ALLOWANCES.

(a) Payment of trade readjustment allowances shall not be made to an adversely affected worker for more than 52 weeks, except that, in accordance with regulations prescribed by the administering agency, (1) such payments may be made for not more than 26 additional weeks to an adversely affected worker to assist him to complete approved training, and (2) such payments shall be made for not more than 13 additional weeks to an adversely affected worker who had reached his sixtieth birthday on or before the date of total or partial separation and who is not undergoing approved training.

(b) Except for the payments made in any of the additional weeks specified in subsection (a) of this section, a trade readjustment allowance shall be paid with respect to a week of unemployment only if such week occurs within a period of 104 consecutive weeks beginning with the week

in which an adversely affected worker was most recently totally separated or beginning with the week in respect of which such worker first receives a trade readjustment allowance, if he was partially separated.

SEC. 325. APPLICATION OF STATE LAWS.

Except where inconsistent with the provisions of this chapter and subject to such regulations as the administering agency may prescribe, the availability and disqualification provisions of the State law of the State in which an adversely affected worker was totally or partially separated shall apply to any such worker who files a claim for trade readjustment allowances.

Subchapter B—Training

SEC. 326. TRAINING AUTHORITY.

(a) To assure that the readjustment of adversely affected workers shall occur as quickly and effectively as possible, with minimum reliance upon trade readjustment allowances under this chapter, every effort shall be made to prepare each such worker for full employment in accordance with his capabilities and prospective employment opportunities. To this end, and subject to the provisions of this chapter, adversely affected workers shall be afforded, where appropriate, the testing, counseling, training, and placement services provided for under any Federal law heretofore or hereafter enacted. Such workers may also be afforded supple-

mental assistance necessary to defray transportation and subsistence expenses for separate maintenance when such training is provided in facilities which are not within commuting distance of their regular place of residence.

(b) To the extent practicable, before assistance in the form of training is provided to workers under this subchapter, the administering agency shall consult with such workers' firm and their certified or recognized union or other duly authorized representative and develop a worker retraining plan which provides for training such workers to meet the manpower needs of such firm, in order to preserve or restore the employment relationship between the workers and the firm.

SEC. 327. DISQUALIFICATION BY REFUSAL OF TRAINING.

Any adversely affected worker who refuses, without good cause, to accept suitable training approved by the administering agency shall not thereafter be entitled to trade readjustment allowances until he enters an approved training program.

Subchapter C—Relocation Allowances

SEC. 328. RELOCATION ALLOWANCES AFFORDED.

Any adversely affected worker who is the head of a family as defined in regulations issued by the administering agency and who has been totally separated may file an appli-

cation for a relocation allowance, subject to the terms and conditions of this subchapter.

SEC. 329. QUALIFYING REQUIREMENTS.

(a) A relocation allowance shall be granted only if the administering agency determines that the applicant (1) cannot reasonably be expected to secure suitable employment in the vicinity in which he resides, (2) has a bona fide offer of suitable employment affording a reasonable expectation of long-term duration, and (3) except as otherwise provided in subsection (b) of this section, is entitled to trade readjustment allowances.

(b) A worker who would be entitled to trade readjustment allowances but for the fact that he has obtained suitable employment outside the vicinity in which he resides, shall be granted a relocation allowance to move to the area of such employment if he meets the requirements of subsection (a) (1) and (2) of this section.

SEC. 330. PAYMENT OF RELOCATION ALLOWANCES.

A relocation allowance shall include the reasonable and necessary expenses, as specified in regulations issued by the administering agency, incurred in transporting such worker and his family and their household effects and, in addition, a lump sum equivalent to two and one-half times the average weekly manufacturing wage.

Subchapter D—General Provisions

SEC. 331. AGREEMENTS WITH STATES.

(a) The administering agency is authorized to enter into an agreement with any State, or with any State agency. Under such an agreement, the State agency (1) as agent of the administering agency, will receive applications for, and will provide, assistance on the basis provided in this chapter, (2) where appropriate, will afford adversely affected workers who apply for assistance under this chapter the testing, counseling, training, and placement services which are provided by Federal law heretofore or hereafter enacted, and (3) will otherwise cooperate with the administering agency and with other State and Federal agencies in providing assistance under this chapter.

(b) Each agreement under this subchapter shall provide the terms and conditions upon which the agreement may be amended, suspended, or terminated.

(c) Each agreement under this subchapter shall provide that unemployment insurance otherwise payable to any adversely affected worker will not be denied or reduced for any week by reason of any right to allowances under this chapter.

SEC. 332. PAYMENTS TO STATES.

(a) The administering agency shall from time to time certify to the Secretary of the Treasury for payment to each State which has entered into an agreement with it under section 331 of this Act the sums necessary to enable such State as agent of the administering agency to make payments of allowances provided for by this chapter. The Secretary of the Treasury, prior to audit or settlement by the General Accounting Office, shall make payment to the State in accordance with such certification, from the funds for carrying out the purposes of this chapter.

(b) All money paid a State under this section shall be used solely for the purposes for which it is paid; and any money so paid which is not used for such purposes shall be returned, at the time specified in the agreement under this subchapter, to the Treasury and credited to current applicable appropriations, funds, or accounts from which payments to States under this section may be made.

(c) Any agreement under this subchapter may require any officer or employee of the State certifying payments or disbursing funds under the agreement, or otherwise participating in the performance of the agreement, to give a surety

bond in such amount as the administering agency may deem necessary, and may provide for the payment of the cost of such bond from funds for carrying out the purposes of this chapter.

SEC. 333. LIABILITIES OF CERTIFYING AND DISBURSING OFFICERS.

(a) No person designated by the administering agency, or designated pursuant to an agreement under this subchapter, as a certifying officer, shall, in the absence of gross negligence or intent to defraud the United States, be liable with respect to the payment of any allowance certified by him under this chapter.

(b) No disbursing officer shall, in the absence of gross negligence or intent to defraud the United States, be liable with respect to any payment by him under this chapter if it was based upon a voucher signed by a certifying officer designated as provided in subsection (a) of this section.

SEC. 334. RECOVERY OF OVERPAYMENTS.

(a) If a State agency or the administering agency or a court of competent jurisdiction finds that any person—

(1) has made, or has caused to be made by another, a false statement or representation of a material fact knowing it to be false, or has knowingly failed or caused another to fail to disclose a material fact; and

(2) as a result of such action has received any payment of allowances under this chapter to which he was not entitled,

such person shall be liable to repay such amount to the State agency or the administering agency, as the case may be, or either agency may recover such amount by deductions from any allowance payable to such person under this chapter. Any such finding by a State agency or the administering agency may be made only after an opportunity for a fair hearing.

(b) Any amount repaid to a State agency under this section shall be deposited into the fund from which payment was made. Any amount repaid to the administering agency under this section shall be returned to the Treasury and credited to the current applicable appropriation, fund, or account from which payment was made.

SEC. 335. PENALTIES.

Whoever makes a false statement of a material fact knowing it to be false, or knowingly fails to disclose a material fact, for the purpose of obtaining or increasing for himself or for any other individual any payment authorized to be paid under this chapter or under an agreement thereunder shall be fined not more than $1,000 or imprisoned for not more than one year, or both.

SEC. 336. DEFINITIONS.

For the purpose of this chapter:

(a) The term "adversely affected employment" means employment in a firm or appropriate subdivision of a firm with respect to which a determination in accordance with section 303 of this Act has been made.

(b) The term "adversely affected worker" means an individual who, because of lack of work in an adversely affected employment, (1) has been totally or partially separated from such employment, or (2) has been totally separated from employment with the firm in a subdivision of which such adversely affected employment has been determined to exist.

(c) The term "average weekly manufacturing wage" means the most recent national gross average weekly earnings of production workers in manufacturing industries, as officially published annually by the Bureau of Labor Statistics of the Department of Labor, preceding the date of an application for assistance under this chapter.

(d) The term "average weekly wage" means one-thirteenth of the total remuneration for services paid to an individual in the high quarter. For the purposes of this computation, the high quarter shall be that quarter in which the individual's total remuneration for services was highest

among the four consecutive calendar quarters immediately prior to the quarter in which occurs the week with respect to which the computation is made. Such week shall be the week in which total separation occurred, or, in cases where partial separation is claimed, an appropriate week, as defined in regulations of the administering agency.

(e) The term "full-time weekly hours" means (1) the full-time weekly hours (excluding overtime) specified in an applicable collective bargaining agreement, or (2) where there are no such full-time weekly hours, such number as the administering agency shall determine (A) based on the custom, if any, in the individual's occupation, or (B) if such custom does not exist, based on the weekly hours worked by the individual in the 26 weeks preceding the week specified in the last sentence of paragraph (d) of this section.

(f) The term "partial separation" means, with respect to an individual who has not been totally separated, that he has had his hours of work reduced to 80 percent or less of his full-time weekly hours in adversely affected employment and his remuneration for his employment reduced to 75 percent or less of his average weekly wage in such adversely affected employment.

(g) The term "State" includes the District of Columbia and the Commonwealth of Puerto Rico.

(h) The term "State agency" means the agency of the State which administers the State law.

(i) The term "State law" means the unemployment insurance law of the State approved by the Secretary of Labor under section 3304 of the Internal Revenue Code of 1954 (26 U.S.C. 3304).

(j) The term "total separation" means the layoff or severance of an individual from employment with a firm with respect to which or in a subdivision of which adversely affected employment has been determined to exist.

(k) The term "unemployment insurance" means the unemployment insurance payable to an individual under any State law or Federal unemployment insurance law, heretofore or hereafter enacted, including title XV of the Social Security Act (42 U.S.C. 1361–1371), the Railroad Unemployment Insurance Act (45 U.S.C. 351–367), and the Temporary Extended Unemployment Compensation Act of 1961 (75 Stat. 8).

(l) The term "week" means a week defined in the applicable State law.

(m) The term "week of unemployment" means with respect to an individual any week for which the remuneration for services payable to him is less than 75 percent of his

average weekly wage and in which (1) he worked less than the full-time week (excluding overtime) in his current occupation if he has been totally separated, or (2) he worked 80 percent or less of his full-time weekly hours in adversely affected employment if he has been partially separated.

CHAPTER 4—EXTRAORDINARY RELIEF

SEC. 351. GENERAL AUTHORITY.

(a) If the President shall, after receiving the advice of the Tariff Commission pursuant to section 306(b) of this Act with respect to any article, determine that an industry is eligible for adjustment assistance in the form of extraordinary relief as provided in section 305 of this Act, he shall proclaim such increase in, or imposition of, any duty or other import restriction on that article as he may determine to be in the national interest.

(b) In exercising his authority under this section, the President shall issue no proclamation increasing the rate of duty for any article to a rate more than 50 percent above the rate existing on July 1, 1934, or, in the case of an article not subject to duty, imposing a duty in excess of 50 percent ad valorem. For the purpose of this subsection, the term "rate existing on July 1, 1934" refers to the rate, however established and even though temporarily suspended by an Act of Congress or otherwise, which existed on July 1, 1934,

with respect to products of the area to which the proclamation applies.

(c) Any increase in, or imposition of, any duty or other import restriction proclaimed under this section (1) may be changed by the President when he determines that conditions so warrant and (2) shall expire not more than four years after the effective date of the proclamation unless the President determines on or before the date of expiration that the national interest requires a longer period.

(d) Adjustment assistance under this section may be provided in combination with other forms of adjustment assistance under chapter 2 or 3 of this title.

CHAPTER 5—GENERAL PROVISIONS

SEC. 361. USE OF EXISTING AGENCIES.

The President shall assure that functions under this title are carried out through existing agencies and programs of the executive branch, and that those matters relating to the provision of adjustment assistance to firms are referred to the Department of Commerce, and other interested agencies, including the Small Business Administration, and that those matters relating to the provision of adjustment assistance to workers are referred to the Department of Labor and other interested agencies.

SEC. 362. ADVISORY BOARD.

(a) There is hereby created the Adjustment Assistance Advisory Board, which shall consist of the Secretary of Commerce, as Chairman, and the Secretaries of the Treasury, Agriculture, Labor, Interior, and Health, Education, and Welfare, and the Administrator of the Small Business Administration and such other officers as the President deems appropriate. Each member of the Board may designate an officer of his agency to act for him as a member of the Board. The Chairman may from time to time invite the participation of officers of other agencies of the executive branch.

(b) At the request of the President, the Board shall advise him and the administering agencies on the development of coordinated programs for adjustment assistence to firms and workers, giving full consideration to ways of preserving and restoring the employment relationship of firms and workers where possible, consistent with sound economic adjustment.

(c) The Chairman may appoint for any industry an industry committee composed of members representing employers, workers, and the public, for the purpose of advising the Board. Members of any such committee shall, while

attending meetings, be entitled to receive compensation and reimbursement as provided in section 401 (c) of this Act. The provisions of section 1003 of the National Defense Education Act of 1958 (20 U.S.C. 582) shall apply to members of such committee.

SEC. 363. SUITS AGAINST UNITED STATES.

Suits arising out of the performance under this title of functions vested in the President, or in the head of any agency, or in any other officer carrying out functions under this title, may be brought against the United States in any State court of record having general jurisdiction, or in any United States district court. Nothing herein shall be construed to except activities under this title from the application of sections 507 (b), 1582, 1583, and 2679 of title 28 of the United States Code, and of section 367 of the Revised Statutes (5 U.S.C. 316).

TITLE IV—GENERAL PROVISIONS

SEC. 401. AUTHORITIES.

The head of any agency of the United States performing functions under this Act may—

(a) delegate authority to perform any of such functions, and grant the authority successively to redelegate any of such functions to any of his subordinates; and may authorize the head of any other agency to perform any of such functions and to delegate, and grant

the authority successively to redelegate, any of such functions to any of his subordinates;

(b) promulgate from time to time such rules and regulations as may be necessary to perform such functions;

(c) to the extent necessary to perform such functions, procure the temporary (not in excess of one year) or intermittent services of experts or consultants or organizations thereof, including stenographic reporting services, by contract or appointment, and in such cases such services shall be without regard to the civil service and classification laws, and, except in the case of stenographic reporting services by organizations, without regard to section 3709 of the Revised Statutes (41 U.S.C. 5). Any individual so employed may be compensated at a rate not in excess of $75 per diem, and, while such individual is away from his home or regular place of business, he may be allowed transportation and not to exceed $16 per diem in lieu of subsistence and other expenses.

SEC. 402. REPORTS.

(a) The President shall transmit to the Congress an annual report on trade agreements and adjustment assistance under this Act.

(b) The Tariff Commission shall transmit to the Congress an annual report on trade agreements under this Act.

SEC. 403. TARIFF COMMISSION.

(a) In order to expedite the performance of its functions under this Act, the Tariff Commission may conduct preliminary investigations, may determine the scope and manner of its proceedings, and may consolidate proceedings before it.

(b) In performing its functions under this Act, the Tariff Commission may exercise any powers granted to it under any other Act.

(c) The Tariff Commission shall at all times keep informed concerning the operation and effect of provisions relating to duties or other import restrictions of the United States contained in trade agreements.

SEC. 404. FINALITY.

(a) Determinations required to be made by the President under title II of this Act and actions of the President or any administering agency under title III of this Act in determining eligibility to apply for adjustment assistance, in certifying adjustment proposals, or in making determinations with respect to extraordinary relief, shall be final and conclusive and shall not be subject to review by any court.

(b) Determinations of the administering agency under chapter 2 of title III of this Act as to the entitlement of

firms to receive adjustment assistance shall be final and conclusive and shall not be subject to review by any court or officer. Determinations of the administering agency or of a State agency under chapter 3 of title III of this Act as to the entitlement of workers to receive adjustment assistance shall be final and conclusive and shall not be subject to review by any court or officer, except that the administering agency may provide by regulation for review of State agency determinations by an impartial administrative tribunal of the State, and in such cases the decision of such tribunal shall be final and conclusive and shall not be subject to review by any court or officer.

SEC. 405. SEPARABILITY.

If any provision of this Act or the application of any provision to any circumstances or persons shall be held invalid, the validity of the remainder of this Act, and of the application of such provision to other circumstances or persons, shall not be affected thereby.

SEC. 406. AUTHORIZATION OF APPROPRIATIONS.

In addition to appropriations authorized by section 316 of this Act, there is hereby authorized to be appropriated from time to time to any agency performing functions under this Act such sums as may be necessary to perform such functions, which sums are authorized to remain available until expended.

SEC. 407. DEFINITIONS.

For the purpose of this Act—

(a) The term "agency" includes any agency, department, board, wholly or partly owned corporation, instrumentality, commission, or establishment of the United States Government.

(b) The term "duty or other import restriction" includes (1) the rate and form of an import duty and classification of an article, and (2) a limitation, prohibition, charge, and exaction other than duty, imposed on the importation or imposed for the regulation of imports.

(c) The term "firm" includes an individual proprietorship, partnership, joint venture, association, corporation (including a development corporation), business trust, cooperative, trustees in bankruptcy, and receivers under decree of any court. A firm, together with any predecessor, successor, or affiliated firm controlled or substantially beneficially owned by substantially the same persons, may, where appropriate, be considered a single firm.

(d) The term "function" includes any duty, obligation, power, authority, responsibility, right, privilege, discretion, or activity.

(e) The term "industry" includes firms producing agricultural, forestry, or livestock commodities.

(f) An imported article may be "directly competitive

with" a domestic article at an earlier or later stage of processing, and a domestic article may be "directly competitive with" an imported article at an earlier or later stage of processing, if the importation of the imported article has an economic effect on producers of the domestic article comparable to the of importation of articles in the same stage of processing as the domestic article.

(g) The term "product" with respect to any country means an article which is the growth, manufacture, or produce of that country.

87TH CONGRESS
2D SESSION

H. R. 9900

A BILL

To promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes.

By Mr. MILLS

JANUARY 25, 1962

Referred to the Committee on Ways and Means

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE

(For information only; should not be quoted or cited)

Issued June 5, 1962
For actions of June 4, 1962
87th-2d, No. 89

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HIGHLIGHTS: House committee voted to report foreign trade bill. House committee reported public works acceleration bill. Rep. McSween defended House version of farm bill.

HOUSE

1. FARM PROGRAM. Rep. McSween defended his position in voting in committee to report H. R. 11222, the proposed Food and Agriculture Act of 1962 saying, "I voted in committee to report this bill to the House floor for consideration, reserving the right to oppose it on the floor unless it is satisfactorily amended." pp. 8892-5

2. PUBLIC WORKS. The Public Works Committee reported with amendments H. R. 10113, to establish an Office of Public Works Coordination and Acceleration, and to authorize the preparation of a plan for acceleration of public works when necessary to avoid serious nationwide unemployment levels (H. Rept. 1756). pp. 8902-3

3. FOREIGN TRADE. The "Daily Digest" states that the Ways and Means Committee voted to report (but did not actually report) H. R. 11970 (a clean bill to supersede H. R. 9900), the proposed Trade Expansion Act of 1962. p. D430

4. STOCKPILING. Passed with an amendment H. Con. Res. 473, providing the express approval of the Congress, pursuant to section 3(e) of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98b(e)), for the disposition of certain materials from the national stockpile, including silk noils, abaca fiber, and vegetable tannins. pp. 8884-5

5. CIVIL DEFENSE. Passed without amendment H. R. 11743, to amend the provisions of title III of the Federal Civil Defense Act of 1950, as amended, to extend to June 30, 1966, the emergency authority of the President to deal with the effects of an enemy attack on the Nation. p. 8885

6. ATOMIC ENERGY. Passed without amendment H. R. 10618, granting the consent of Congress to the Southern Interstate Nuclear Compact. pp. 8886-8

7. ELECTRIFICATION. Rep. Sheppard criticized the bills to guarantee electric consumers in the Pacific Northwest first call on electric energy generated at Federal plants in that region and to guarantee electric consumers in other regions reciprocal priority, and inserted an editorial, "Northwest Power." pp. 8888-9

8. RECLAMATION. Received from the Army a report on a review of reports on Kentucky River and tributaries, Ky. (H. Doc. 423). p. 8902

ITEMS IN APPENDIX

9. FARM PROGRAM. Rep. Findley inserted an article from the labor union publication, Labor, criticizing acreage allotment programs for farm commodities as monopolistic and stating that "While enforcing monopoly in the farm field, the Government is endorsing anti-monopoly laws in other fields." pp. 4043-4

Rep. Cunningham inserted a statement before the recent Millers' Federation Convention criticizing the Administration's proposed wheat certificate program and stating that "to help pay for such a program we would be forced to take on the burden and the redtape of paying or collecting a 60-cents-a-bushel processing tax." p. A4060

10. FORESTRY. Extension of remarks of Rep. Saylor urging enactment of legislation to provide for the preservation of wilderness areas, including national forest areas, and inserting a report of the Wildland Research Center, University of California, "Problems in Administration of Wilderness Resources." pp. A4062-5

11. ELECTRIFICATION. Reps. Weaver, Martin, Nebr., Bearman, and Cunningham inserted a number of essays prepared by school children in an essay contest sponsored by the Nebr. Rural Electric Association, "The Value of Rural Electrification in Our Home and Community." pp. A4031, A4038, A4039-40, A4045-6, A4046-7, A4053-4

12. TOBACCO. Extension of remarks of Rep. Scott, N. C., stating that "Despite the fact that the case against cigarette smoking is nothing more than statistical theory, there are some who would use every stratagem to destroy tobacco," and inserting an editorial in support of his position. p. A4035

Rep. Abbitt inserted a statement by the scientific director of the Tobacco Industry Research Committee to refute "Certain statements ... made that reflect adversely upon the tobacco industry in a most unfair manner." pp. A4054-5

13. AREA REDEVELOPMENT. Rep. Moore inserted an article on problems encountered by the Area Redevelopment Administration with its program in West Virginia, "ARA Falls Short of Original Aim." pp. A4038-9

14. PUBLIC DEBT. Rep. Rogers, Fla., inserted his testimony before the Ways and Means Committee opposing any increase in the public debt. p. A4057

15. YOUTH TRAINING. Rep. Derwinski inserted an editorial critical of the recently enacted legislation providing for Federal assistance for the training of youths entering the job market. p. A4049

87TH CONGRESS
2D SESSION

H. R. 11970

IN THE HOUSE OF REPRESENTATIVES

JUNE 4, 1962

Mr. MILLS introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—SHORT TITLE AND PURPOSES

SEC. 101. SHORT TITLE.

This Act may be cited as the "Trade Expansion Act of 1962".

SEC. 102. STATEMENT OF PURPOSES.

The purposes of this Act are, through trade agreements affording mutual benefits—

(1) to stimulate the economic growth of the United States and maintain and enlarge foreign markets for the products of United States agriculture, industry, mining, and commerce;

(2) to strengthen economic relations with foreign countries through the development of open and non-discriminatory trading in the free world;

(3) to assist in the progress of countries in the earlier stages of economic development; and

(4) to prevent Communist economic penetration.

TITLE II—TRADE AGREEMENTS

CHAPTER 1—GENERAL AUTHORITY

SEC. 201. BASIC AUTHORITY FOR TRADE AGREEMENTS.

(a) Whenever the President determines that any existing duties or other import restrictions of any foreign country or the United States are unduly burdening and restricting the foreign trade of the United States and that any of the purposes stated in section 102 will be promoted thereby, the President may—

(1) after June 30, 1962, and before July 1, 1967, enter into trade agreements with foreign countries or instrumentalities thereof; and

(2) proclaim such modification or continuance of any existing duty or other import restriction, such continuance of existing duty-free or excise treatment, or such additional import restrictions, as he determines to be required or appropriate to carry out any such trade agreement.

(b) Except as otherwise provided in this title, no proclamation pursuant to subsection (a) shall be made—

(1) decreasing any rate of duty to a rate below 50 percent of the rate existing on July 1, 1962; or

(2) increasing any rate of duty to (or imposing) a rate more than 50 percent above the rate existing on July 1, 1934.

SEC. 202. LOW-RATE ARTICLES.

Section 201 (b) (1) shall not apply in the case of any article for which the rate of duty existing on July 1, 1962, is not more than 5 percent ad valorem (or ad valorem equivalent). In the case of an article subject to more than one rate of duty, the preceding sentence shall be applied by taking into account the aggregate of such rates.

CHAPTER 2—SPECIAL PROVISIONS CONCERNING EUROPEAN ECONOMIC COMMUNITY

SEC. 211. IN GENERAL.

(a) In the case of any trade agreement with the European Economic Community, section 201 (b) (1) shall not

apply to articles in any category if, before entering into such trade agreement, the President determines with respect to such category that the United States and all countries of the European Economic Community together accounted for 80 percent or more of the aggregated world export value of all the articles in such category.

(b) For purposes of subsection (a)—

(1) As soon as practicable after the date of the enactment of this Act, the President shall—

(A) after taking into account the availability of trade statistics, select a system of comprehensive classification of articles by category, and

(B) make public his selection of such system.

(2) As soon as practicable after the President has selected a system pursuant to paragraph (1), the Tariff Commission shall—

(A) determine the articles falling within each category of such system, and

(B) make public its determinations.

The determination of the Tariff Commission as to the articles included in any category may be modified only by the Tariff Commission. Such modification by the Tariff Commission may be made only for the purpose of correction, and may be made only before the date on which the first list of articles specifying this section is

furnished by the President to the Tariff Commission pursuant to section 221.

(c) For the purpose of making a determination under subsection (a) with respect to any category—

(1) The determination of the countries of the European Economic Community shall be made as of the date of the request under subsection (d).

(2) The President shall determine "aggregated world export value" with respect to any category of articles—

(A) on the basis of a period which he determines to be representative for such category, which period shall be included in the most recent 5-year period before the date of the request under subsection (d) for which statistics are available and shall contain at least 2 one-year periods,

(B) on the basis of the dollar value of exports as shown by trade statistics in use by the Department of Commerce, and

(C) by excluding exports—

(i) from any country of the European Economic Community to another such country, and

(ii) to or from any country or area which, at any time during the representative period, was denied trade agreement benefits under

section 231 or under section 5 of the Trade Agreements Extension Act of 1951.

(d) Before the President makes a determination under subsection (a) with respect to any category, the Tariff Commission shall (upon request of the President) make findings as to—

(1) the representative period for such category,

(2) the aggregated world export value of the articles falling within such category, and

(3) the percentage of the aggregated world export value of such articles accounted for by the United States and the countries of the European Economic Community,

and shall advise the President of such findings.

(e) The exception to section 201 (b) (1) provided by subsection (a) shall not apply to any article referred to in Agricultural Handbook No. 143, United States Department of Agriculture, as issued in September 1959.

SEC. 212. AGRICULTURAL COMMODITIES.

In the case of any trade agreement with the European Economic Community, section 201 (b) (1) shall not apply to any article referred to in Agricultural Handbook No. 143, United States Department of Agriculture, as issued in September 1959, if before entering into such agreement the President determines that such agreement will tend to assure

the maintenance or expansion of United States exports of the like article.

SEC. 213. TROPICAL AGRICULTURAL AND FORESTRY COMMODITIES.

(a) Section 201 (b) (1) shall not apply to any article if, before entering into the trade agreement covering such article, the President determines that—

(1) such article is a tropical agricultural or forestry commodity;

(2) the like article is not produced in significant quantities in the United States; and

(3) the European Economic Community has made a commitment with respect to duties or other import restrictions which is likely to assure access for such article to the markets of the European Economic Community which—

(A) is comparable to the access which such article will have to the markets of the United States, and

(B) will be afforded substantially without differential treatment as among free world countries of origin.

(b) For purposes of subsection (a), a "tropical agricultural or forestry commodity" is an agricultural or forestry commodity with respect to which the President determines

that more than one-half of the world production is in the area of the world between 20 degrees north latitude and 20 degrees south latitude.

(c) Before the President makes a determination under subsection (a) with respect to any article, the Tariff Commission shall (upon request of the President) make findings as to—

(1) whether or not such article is an agricultural or forestry commodity more than one-half of the world production of which is in the area of the world between 20 degrees north latitude and 20 degrees south latitude, and

(2) whether or not the like article is produced in significant quantities in the United States,

and shall advise the President of such findings.

CHAPTER 3—REQUIREMENTS CONCERNING NEGOTIATIONS

SEC. 221. TARIFF COMMISSION ADVICE.

(a) In connection with any proposed trade agreement under this title, the President shall from time to time publish and furnish the Tariff Commission with lists of articles which may be considered for modification or continuance of United States duties or other import restrictions, or continuance of United States duty-free or excise treatment. In the case of any article with respect to which consideration

may be given to reducing the rate of duty below the 50 percent limitation contained in section 201(b)(1), the list shall specify the section or sections of this title pursuant to which such consideration may be given.

(b) Within 6 months after receipt of such a list, the Tariff Commission shall advise the President with respect to each article of its judgment as to the probable economic effect of modifications of duties or other import restrictions on industries producing like or directly competitive articles. In the course of preparing such advice, the Tariff Commission shall, after reasonable notice, hold public hearings.

SEC. 222. ADVICE FROM DEPARTMENTS.

Before any trade agreement is entered into under this title, the President shall seek information and advice with respect to such agreement from the Departments of Agriculture, Commerce, Defense, Interior, Labor, State and Treasury, and from such other sources as he may deem appropriate.

SEC. 223. PUBLIC HEARINGS.

In connection with any proposed trade agreement under this title, the President shall afford an opportunity for any interested person to present his views concerning any article on a list published pursuant to section 221, any article which should be so listed, any concession which should be

sought by the United States, or any other matter relevant to such proposed trade agreement. For this purpose, the President shall designate an agency or an interagency committee which shall, after reasonable notice, hold public hearings, shall prescribe regulations governing the conduct of such hearings, and shall furnish the President with a summary of such hearings.

SEC. 224. PREREQUISITE FOR OFFERS.

The President may make an offer for the modification or continuance of any duty or other import restriction, or continuance of duty-free or excise treatment, with respect to any article only after he has received advice concerning such article from the Tariff Commission under section 221 (b), or after the expiration of the relevant 6-month period provided for in that section, whichever first occurs, and only after the President has received a summary of the hearings at which an opportunity to be heard with respect to such article has been afforded under section 223.

SEC. 225. RESERVATION OF ARTICLES FROM NEGOTIATIONS.

(a) While there is in effect with respect to any article any action taken under—

(1) section 232 or 351,

(2) section 2 (b) of the Act entitled "An Act to extend the authority of the President to enter into trade

agreements under section 350 of the Tariff Act of 1930, as amended", approved July 1, 1954 (19 U.S.C., sec. 1352a), or

(3) section 7 of the Trade Agreements Extension Act of 1951 (19 U.S.C., sec. 1364),

the President shall reserve such article from negotiations under this title for the reduction of any duty or other import restriction or the elimination of any duty.

(b) During the 4-year period which begins on the date of the enactment of this Act, the President shall reserve an article (other than an article which, on the date of the enactment of this Act, was described in subsection (a) (3)) from negotiation under this title for the reduction of any duty or other import restriction or the elimination of any duty where—

(1) pursuant to section 7 of the Trade Agreements Extension Act of 1951 (or pursuant to a comparable Executive Order), the Tariff Commission found by a majority of the Commissioners voting that such article was being imported in such increased quantities as to cause or threaten serious injury to an industry,

(2) such article is included in a list furnished to the Tariff Commission pursuant to section 221 (and has not been included in a prior list so furnished), and

(3) upon request on behalf of the industry, made

not later than 60 days after the date of the publication of such list, the Tariff Commission finds and advises the President that economic conditions in such industry have not substantially improved since the date of the report of the finding referred to in paragraph (1).

(c) In addition to the articles described by subsections (a) and (b), the President shall also so reserve any other article which he determines to be appropriate, taking into consideration the advice of the Tariff Commission under section 221 (b), any advice furnished to him under section 222, and the summary furnished to him under section 223.

SEC. 226. TRANSMISSION OF AGREEMENTS TO CONGRESS.

The President shall transmit promptly to each House of Congress a copy of each trade agreement entered into under this title, together with a statement, in the light of the advice of the Tariff Commission under section 221 (b) and of other relevant considerations, of his reasons for entering into the agreement.

CHAPTER 4—NATIONAL SECURITY

SEC. 231. PRODUCTS OF COMMUNIST COUNTRIES OR AREAS.

The President shall, as soon as practicable, suspend, withdraw, or prevent the application of the reduction, elimination, or continuance of any existing duty or other import restriction, or the continuance of any existing duty-free or

excise treatment, proclaimed in carrying out any trade agreement under this title or under section 350 of the Tariff Act of 1930, to products, whether imported directly or indirectly, of any country or area dominated or controlled by Communism.

SEC. 232. SAFEGUARDING NATIONAL SECURITY.

(a) No action shall be taken pursuant to section 201 (a) or pursuant to section 350 of the Tariff Act of 1930 to decrease or eliminate the duty or other import restriction on any article if the President determines that such reduction or elimination would threaten to impair the national security.

(b) Upon request of the head of any department or agency, upon application of an interested party, or upon his own motion, the Director of the Office of Emergency Planning (hereinafter in this section referred to as the "Director") shall immediately make an appropriate investigation, in the course of which he shall seek information and advice from other appropriate departments and agencies, to determine the effects on the national security of imports of the article which is the subject of such request, application, or motion. If, as a result of such investigation, the Director is of the opinion that the said article is being imported into the United States in such quantities or under such circumstances as to threaten to impair the national security, he shall promptly so advise the President, and,

unless the President determines that the article is not being imported into the United States in such quantities or under such circumstances as to threaten to impair the national security as set forth in this section, he shall take such action, and for such time, as he deems necessary to adjust the imports of such article and its derivatives so that such imports will not so threaten to impair the national security.

(c) For the purposes of this section, the Director and the President shall, in the light of the requirements of national security and without excluding other relevant factors, give consideration to domestic production needed for projected national defense requirements, the capacity of domestic industries to meet such requirements, existing and anticipated availabilities of the human resources, products, raw materials, and other supplies and services essential to the national defense, the requirements of growth of such industries and such supplies and services including the investment, exploration, and development necessary to assure such growth, and the importation of goods in terms of their quantities, availabilities, character, and use as those affect such industries and the capacity of the United States to meet national security requirements. In the administration of this section, the Director and the President shall further recognize the close relation of the economic welfare of the Nation to our national security, and shall take into consideration the

impact of foreign competition on the economic welfare of individual domestic industries; and any substantial unemployment, decrease in revenues of government, loss of skills or investment, or other serious effects resulting from the displacement of any domestic products by excessive imports shall be considered, without excluding other factors, in determining whether such weakening of our internal economy may impair the national security.

(d) A report shall be made and published upon the disposition of each request, application, or motion under subsection (b). The Director shall publish procedural regulations to give effect to the authority conferred on him by subsection (b).

CHAPTER 5—ADMINISTRATIVE PROVISIONS

SEC. 241. SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS.

(a) The President shall appoint, by and with the advice and consent of the Senate, a Special Representative for Trade Negotiations, who shall be the chief representative of the United States for each negotiation under this title and for such other negotiations as in the President's judgment require that the Special Representative be the chief representative of the United States. The Special Representative for Trade Negotiations shall hold office at the pleasure of the President, shall be entitled to receive the same compensation and allow-

ances as a chief of mission, shall have the rank of ambassador extraordinary and plenipotentiary, and shall be an ex-officio member of the organization established pursuant to section 242 (a).

(b) The Special Representative for Trade Negotiations shall, in the performance of his functions under subsection (a), seek information and advice with respect to each negotiation from representatives of industry, agriculture, and labor, and from such agencies of the United States as he deems appropriate.

SEC. 242. INTERAGENCY TRADE ORGANIZATION.

(a) The President shall establish an interagency organization to assist him in carrying out the functions vested in him by this title and chapter 4 of title III. Such organization shall have as its chairman a Cabinet officer selected by the President, and shall be composed of the heads of such departments and of such other officers as the President shall designate. It shall meet periodically at such times and with respect to such matters as the President or the chairman of the organization shall direct. The organization may invite the participation in its activities of any agency not represented in the organization when matters of interest to such agency are under consideration.

(b) In assisting the President, the organization shall—

(1) make recommendations to the President on

basic policy issues arising in the administration of the trade agreements program,

(2) make recommendations to the President as to what action, if any, he should take on reports with respect to tariff adjustment submitted to him by the Tariff Commission under section 301 (e),

(3) advise the President of the results of hearings concerning unjustifiable foreign import restrictions held pursuant to section 252 (c), and recommend appropriate action with respect thereto, and

(4) perform such other functions with respect to the trade agreements program as the President may from time to time designate.

(c) The organization shall, to the maximum extent practicable, draw upon the resources of the agencies represented in the organization, as well as such other agencies as it may determine, including the Tariff Commission. In addition, the President may establish by regulation such procedures and committees as he may determine to be necessary to enable the organization to provide for the conduct of hearings pursuant to section 252 (c), and for the carrying out of other functions assigned to the organization pursuant to this section.

SEC. 243. CONGRESSIONAL DELEGATES TO NEGOTIATIONS.

Before each negotiation under this title, the President shall, upon the recommendation of the Speaker of the House of Representatives, select two members (not of the same political party) of the Committee on Ways and Means, and shall, upon the recommendation of the President of the Senate, select two members (not of the same political party) of the Committee on Finance, who shall be accredited as members of the United States delegation to such negotiation.

CHAPTER 6—GENERAL PROVISIONS

SEC. 251. MOST-FAVORED-NATION PRINCIPLE.

Except as otherwise provided in this title, any duty or other import restriction or duty-free treatment proclaimed in carrying out any trade agreement under this title or section 350 of the Tariff Act of 1930 shall apply to products of all foreign countries, whether imported directly or indirectly.

SEC. 252. FOREIGN IMPORT RESTRICTIONS.

(a) Whenever unjustifiable foreign import restrictions impair the value of tariff commitments made to the United States, oppress the commerce of the United States, or prevent the expansion of trade on a mutually advantageous basis, the President shall—

(1) take all appropriate and feasible steps within his power to eliminate such restrictions, and

(2) refrain from negotiating the reduction or elimination of any United States import restriction under section 201 (a) in order to obtain the reduction or elimination of any such restrictions.

(b) Whenever a foreign country or instrumentality the products of which receive benefits of trade agreement concessions made by the United States—

(1) maintains nontariff trade restrictions, including unlimited variable import fees, which substantially burden United States commerce in a manner inconsistent with provisions of trade agreements, or

(2) engages in discriminatory or other acts (including tolerance of international cartels) or policies unjustifiably restricting United States commerce,

the President shall, to the extent that such action is consistent with the purposes of section 102—

(A) suspend, withdraw, or prevent the application of benefits of trade agreements concessions to products of such country or instrumentality, or

(B) refrain from proclaiming benefits of trade agreement concessions to carry out a trade agreement with such country or instrumentality.

(c) The President shall provide an opportunity for the presentation of views concerning unjustifiable foreign import restrictions maintained against United States commerce. Upon request by any interested person, the President shall, through the organization established pursuant to section 242 (a), provide for appropriate public hearings with respect to such restrictions after reasonable notice and provide for the issuance of regulations concerning the conduct of such hearings.

SEC. 253. STAGING REQUIREMENTS.

(a) Except as otherwise provided in this section and in section 254, the aggregate reduction in the rate of duty on any article which is in effect on any day pursuant to a trade agreement under this title shall not exceed the aggregate reduction which would have been in effect on such day if—

(1) one-fifth of the total reduction under such agreement for such article had taken effect on the date of the first proclamation pursuant to section 201 (a) to carry out such trade agreement, and

(2) the remaining four-fifths of such total reduction had taken effect in four equal installments at 1-year intervals after the date referred to in paragraph (1).

(b) Subsection (a) shall not apply to any article with respect to which the President has made a determination under section 213 (a).

(c) In the case of an article the rate of duty on which has been or is to be reduced pursuant to a prior trade agreement, no reduction shall take effect pursuant to a trade agreement entered into under section 201 (a) before the expiration of 1 year after the taking effect of the final reduction pursuant to such prior agreement.

(d) If any part of a reduction takes effect, then any time thereafter during which such part of the reduction is not in effect by reason of legislation of the United States or action thereunder shall be excluded in determining—

(1) the 1-year intervals referred to in subsection (a) (2), and

(2) the expiration of the 1 year referred to in subsection (c).

SEC. 254. ROUNDING AUTHORITY.

If the President determines that such action will simplify the computation of the amount of duty imposed with respect to an article, he may exceed the limitation provided by section 201 (b) (1) or 253 by not more than whichever of the following is lesser:

(1) the difference between the limitation and the next lower whole number, or

(2) one-half of 1 percent ad valorem or an amount the ad valorem equivalent of which is one-half of 1 percent.

SEC. 255. TERMINATION.

(a) Every trade agreement entered into under this title shall be subject to termination or withdrawal, upon due notice, at the end of a period specified in the agreement. Such period shall be not more than 3 years from the date on which the agreement becomes effective. If the agreement is not terminated or withdrawn from at the end of the period so specified, it shall be subject to termination or withdrawal thereafter upon not more than 6 months' notice.

(b) The President may at any time terminate, in whole or in part, any proclamation made under this title.

SEC. 256. DEFINITIONS.

For purposes of this title—

(1) The term "European Economic Community" means the instrumentality known by such name or any successor thereto.

(2) The countries of the European Economic Community as of any date shall be those countries which on such date are agreed to achieve a common external tariff through the European Economic Community.

(3) The term "agreement with the European Economic Community" means an agreement to which the United States and all countries of the European Economic Community (determined as of the date such agreement is entered into) are parties. For purposes of

the preceding sentence, each country for which the European Economic Community signs an agreement shall be treated as a party to such agreement.

(4) The term "existing on July 1, 1962", as applied to a rate of duty, refers to the lowest nonpreferential rate of duty (however established, and even though temporarily suspended by Act of Congress or otherwise) existing on such date or (if lower) the lowest nonpreferential rate to which the United States is committed on such date and which may be proclaimed under section 350 of the Tariff Act of 1930.

(5) The term "existing on July 1, 1934", as applied to a rate of duty, refers to the rate of duty (however established, and even though temporarily suspended by Act of Congress or otherwise) existing on such date.

(6) The term "existing" without the specification of any date, when used with respect to any matter relating to entering into, or any proclamation to carry out, a trade agreement, means existing on the day on which such trade agreement is entered into.

(7) The term "ad valorem equivalent" means the ad valorem equivalent of a specific rate or, in the case of a combination of rates including a specific rate, the sum of the ad valorem equivalent of the specific rate

and of the ad valorem rate. The ad valorem equivalent shall be determined by the President on the basis of the value of imports of the article concerned during a period determined by him to be representative. In determining the value of imports, the President shall utilize, to the maximum extent practicable, the standards of valuation contained in section 402 or 402a of the Tariff Act of 1930 (19 U.S.C., sec. 1401a or 1402) applicable to the article concerned during such representative period.

SEC. 257. RELATION TO OTHER LAWS.

(a) The first sentence of subsection (b) of section 350 of the Tariff Act of 1930 is amended by striking out "this section" each place it appears and inserting in lieu thereof "this section or the Trade Expansion Act of 1962". The second sentence of such subsection (b) is amended by striking out "this Act" and inserting in lieu thereof "this Act or the Trade Expansion Act of 1962". The third sentence of such subsection (b) is amended by striking out "1955," in paragraph (2) and inserting in lieu thereof "1955, and before July 1, 1962," and by adding at the end thereof the following new paragraph:

"(3) In order to carry out a foreign trade agreement entered into after June 30, 1962, and before July 1, 1967, below the lowest rate permissible by applying title II of the Trade Expansion Act of 1962

to the rate of duty (however established, and even though temporarily suspended by Act of Congress or otherwise) existing on July 1, 1962, with respect to such product."

(b) Subsections (a) (5) and (e) of section 350 of the Tariff Act of 1930 are repealed.

(c) For purposes only of entering into trade agreements pursuant to the notices of intention to negotiate published in the Federal Register of May 28, 1960, and the Federal Register of November 23, 1960, the period during which the President is authorized to enter into foreign trade agreements under section 350 of the Tariff Act of 1930 is hereby extended from the close of June 30, 1962, until the close of December 31, 1962.

(d) The second and third sentences of section 2 (a) of the Act entitled "An Act to amend the Tariff Act of 1930", approved June 12, 1934, as amended (19 U.S.C., sec. 1352 (a)), are each amended by striking out "this Act" and inserting in lieu thereof "this Act or the Trade Expansion Act of 1962".

(e) (1) Sections 5, 6, 7, and 8 (a) of the Trade Agreements Extension Act of 1951 are repealed.

(2) Action taken by the President under section 5 of such Act and in effect on the date of the enactment of this

Act shall be considered as having been taken by the President under section 231.

(3) Any investigation by the Tariff Commission under section 7 of such Act which is in progress on the date of the enactment of this Act shall be continued under section 301 as if the application by the interested party were a petition under such section for tariff adjustment under section 351. For purposes of section 301 (f), such petition shall be treated as having been filed on the date of the enactment of this Act.

(f) Section 2 of the Act entitled "An Act to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended", approved July 1, 1954, is repealed. Any action (including any investigation begun) under such section 2 before the date of the enactment of this Act shall be considered as having been taken or begun under section 232.

TITLE III—TARIFF ADJUSTMENT AND OTHER ADJUSTMENT ASSISTANCE

CHAPTER 1—ELIGIBILITY FOR ASSISTANCE

SEC. 301. TARIFF COMMISSION INVESTIGATIONS AND REPORTS.

(a) (1) Petitions for tariff adjustment under section 351 or for determinations of eligibility to apply for adjustment

assistance under chapter 2 or 3 may be filed with the Tariff Commission by firms, groups of workers, or industries. In the case of a firm, such petition may be filed by the firm or its representative. In the case of a group of workers, such petition may be filed by the workers or by their certified or recognized union or other duly authorized representative. In the case of an industry, such petition may be filed by a trade association, firm, certified or recognized union, or other representative.

(2) Whenever a petition is filed under this subsection, the Tariff Commission shall transmit a copy thereof to the Secretary of Commerce.

(b) (1) Upon the request of the President, upon resolution of either the Committee on Finance of the Senate or the Committee on Ways and Means of the House of Representatives, upon its own motion, or upon the filing of a petition under subsection (a) (1), the Tariff Commission shall promptly make an investigation to determine whether, as a result of concessions granted under trade agreements, an article is being imported into the United States in such increased quantities as to cause, or threaten to cause, serious injury to the domestic industry producing an article which is like or directly competitive with the imported article.

(2) In making its determination under paragraph (1), the Tariff Commission shall take into account all economic

factors which it considers relevant, including idling of productive facilities, inability to operate at a profit, and unemployment or underemployment.

(3) No investigation for the purpose of paragraph (1) shall be made, upon petition filed under subsection (a) (1), with respect to the same subject matter as a previous investigation under paragraph (1), unless one year has elapsed since the Tariff Commission made its report to the President of the results of such previous investigation.

(c) (1) In the case of a petition by a firm for a determination of eligibility to apply for adjustment assistance under chapter 2, the Tariff Commission shall, in addition to making an industry determination under subsection (b), determine whether, as a result of concessions granted under trade agreements, an article like or directly competitive with an article produced by the firm is being imported into the United States in such increased quantities as to cause, or threaten to cause, serious injury to such firm. In making its determination under this paragraph, the Tariff Commission shall take into account all economic factors which it considers relevant, including idling of productive facilities of the firm, inability of the firm to operate at a profit, and unemployment or underemployment in the firm.

(2) In the case of a petition by a group of workers for a determination of eligibility to apply for adjustment assist-

ance under chapter 3, the Tariff Commission shall, in addition to making an industry determination under subsection (b), determine whether, as a result of concessions granted under trade agreements, an article like or directly competitive with an article produced by such workers' firm, or an appropriate subdivision thereof, is being imported into the United States in such increased quantities as to cause, or threaten to cause, unemployment or underemployment of a significant number or proportion of the workers of such firm or subdivision.

(3) The Tariff Commission may provide that, during a period beginning not earlier than 30 days after the publication of notice of hearings with respect to an industry and ending not later than the date of the report of the Tariff Commission with respect thereto under subsection (f) (2), no petition may be filed under subsection (a) (1) by a firm or group of workers in such industry with respect to the same imported article and the same domestic article.

(d) In the course of any investigation under this section, the Tariff Commission shall, after reasonable notice, hold public hearings and shall afford interested parties opportunity to be present, to produce evidence, and to be heard at such hearings.

(e) Should the Tariff Commission find with respect to any article, as the result of its investigation, the serious injury or threat thereof described in subsection (b), it shall

find the amount of the increase in, or imposition of, any duty or other import restriction on such article which is necessary to prevent or remedy such injury and shall include such finding in its report to the President.

(f) (1) The Tariff Commission shall report to the President the results of each investigation under this section and include in each report any dissenting or separate views. The Tariff Commission shall furnish to the President a transcript of the hearings and any briefs which may have been submitted in connection with each investigation.

(2) The report of the Tariff Commission of its determination under subsection (b) shall be made at the earliest practicable time, but not later than 120 days after the date on which the petition is filed (or the date on which the request or resolution is received or the motion is adopted, as the case may be), unless the President extends such time for an additional period, which shall not exceed 30 days. Upon making such report to the President, the Tariff Commission shall promptly make public such report, and shall cause a summary thereof to be published in the Federal Register.

(3) The report of the Tariff Commission of its determination under subsection (c) (1) or (c) (2) with respect to any firm or group of workers shall be made at the earliest

practicable time, but not later than 60 days after the date on which the petition is filed.

SEC. 302. PRESIDENTIAL ACTION AFTER TARIFF COMMISSION DETERMINATION.

(a) After receiving a report from the Tariff Commission containing an affirmative finding under section 301 (b) with respect to any industry, the President may—

(1) provide tariff adjustment for such industry pursuant to section 351,

(2) provide, with respect to such industry, that its firms may request the Secretary of Commerce for certifications of eligibility to apply for adjustment assistance under chapter 2,

(3) provide, with respect to such industry, that its workers may request the Secretary of Labor for certifications of eligibility to apply for adjustment assistance under chapter 3, or

(4) take any combination of such actions.

(b) (1) The Secretary of Commerce shall certify, as eligible to apply for adjustment assistance under chapter 2, any firm in an industry with respect to which the President has acted under subsection (a) (2), upon a showing by such firm to the satisfaction of the Secretary of Commerce that the increased imports (which the Tariff Commission has

determined to result from concessions granted under trade agreements) have caused serious injury or threat thereof to such firm.

(2) The Secretary of Labor shall certify, as eligible to apply for adjustment assistance under chapter 3, any group of workers in an industry with respect to which the President has acted under subsection (a) (3), upon a showing by such group of workers to the satisfaction of the Secretary of Labor that the increased imports (which the Tariff Commission has determined to result from concessions granted under trade agreements) have caused or threatened to cause unemployment or underemployment of a significant number or proportion of workers of such workers' firm or subdivision thereof.

(c) After receiving a report from the Tariff Commission containing an affirmative finding under section 301 (c) with respect to any firm or group of workers, the President may certify that such firm or group of workers is eligible to apply for adjustment assistance.

(d) Any certification under subsection (b) or (c) that a group of workers is eligible to apply for adjustment assistance shall specify the date on which the unemployment or underemployment began or threatens to begin.

(e) Whenever the President determines, with respect to any certification of the eligibility of a group of workers,

that separations from the firm or subdivision thereof are no longer attributable to the conditions specified in section 301 (c) (2) or in subsection (b) (2) of this section, he shall terminate the effect of such certification. Such termination shall apply only with respect to separations occurring after the termination date specified by the President.

CHAPTER 2—ASSISTANCE TO FIRMS

SEC. 311. CERTIFICATION OF ADJUSTMENT PROPOSALS.

(a) A firm certified under section 302 as eligible to apply for adjustment assistance may, at any time within 2 years after the date of such certification, file an application with the Secretary of Commerce for adjustment assistance under this chapter. Within a reasonable time after filing its application, the firm shall present a proposal for its economic adjustment.

(b) Adjustment assistance under this chapter consists of technical assistance, financial assistance, and tax assistance, which may be furnished singly or in combination. Except as provided in subsection (c), no adjustment assistance shall be provided to a firm under this chapter until its adjustment proposal shall have been certified by the Secretary of Commerce—

(1) to be reasonably calculated materially to contribute to the economic adjustment of the firm,

(2) to give adequate consideration to the interests of the workers of such firm adversely affected by actions taken in carrying out trade agreements, and

(3) to demonstrate that the firm will make all reasonable efforts to use its own resources for economic development.

(c) In order to assist a firm which has applied for adjustment assistance under this chapter in preparing a sound adjustment proposal, the Secretary of Commerce may furnish technical assistance to such firm prior to certification of its adjustment proposal.

(d) Any certification made pursuant to this section shall remain in force only for such period as the Secretary of Commerce may prescribe.

SEC. 312. USE OF EXISTING AGENCIES.

(a) The Secretary of Commerce shall refer each certified adjustment proposal to such agency or agencies as he determines to be appropriate to furnish the technical and financial assistance necessary to carry out such proposal.

(b) Upon receipt of a certified adjustment proposal, each agency concerned shall promptly—

(1) examine the aspects of the proposal relevant to its functions, and

(2) notify the Secretary of Commerce of its determination as to the technical and financial assistance it is prepared to furnish to carry out the proposal.

(c) Whenever and to the extent that any agency to which an adjustment proposal has been referred notifies the Secretary of Commerce of its determination not to furnish technical or financial assistance, and if the Secretary of Commerce determines that such assistance is necessary to carry out the adjustment proposal, he may furnish adjustment assistance under sections 313 and 314 to the firm concerned.

(d) There are hereby authorized to be appropriated to the Secretary of Commerce such sums as may be necessary from time to time to carry out his functions under this chapter in connection with furnishing adjustment assistance to firms, which sums are authorized to be appropriated to remain available until expended.

SEC. 313. TECHNICAL ASSISTANCE.

(a) Upon compliance with section 312(c), the Secretary of Commerce may provide to a firm, on such terms and conditions as he determines to be appropriate, such technical assistance as in his judgment will materially contribute to the economic adjustment of the firm.

(b) To the maximum extent practicable, the Secretary

of Commerce shall furnish technical assistance under this section and section 311(c) through existing agencies, and otherwise through private individuals, firms, or institutions.

(c) The Secretary of Commerce shall require a firm receiving technical assistance under this section or section 311(c) to share the cost thereof to the extent he determines to be appropriate.

SEC. 314. FINANCIAL ASSISTANCE.

(a) Upon compliance with section 312(c), the Secretary of Commerce may provide to a firm, on such terms and conditions as he determines to be appropriate, such financial assistance in the form of guarantees of loans, agreements for deferred participations in loans, or loans, as in his judgment will materially contribute to the economic adjustment of the firm. The assumption of an outstanding indebtedness of the firm, with or without recourse, shall be considered to be the making of a loan for purposes of this section.

(b) Guarantees, agreements for deferred participations, or loans shall be made under this section only for the purpose of making funds available to the firm—

(1) for acquisition, construction, installation, modernization, development, conversion, or expansion of land, plant, buildings, equipment, facilities, or machinery, or

(2) in cases determined by the Secretary of Commerce to be exceptional, to supply working capital.

(c) To the maximum extent practicable, the Secretary of Commerce shall furnish financial assistance under this section through agencies furnishing financial assistance under other law.

SEC. 315. CONDITIONS FOR FINANCIAL ASSISTANCE.

(a) No loan shall be guaranteed and no agreement for deferred participation in a loan shall be made by the Secretary of Commerce in an amount which exceeds 90 percent of that portion of the loan made for purposes specified in section 314(b).

(b) (1) Any loan made or deferred participation taken up by the Secretary of Commerce shall bear interest at a rate not less than the greater of—

(A) 4 percent per annum, or

(B) a rate determined by the Secretary of the Treasury for the year in which the loan is made or the agreement for such deferred participation is entered into.

(2) The Secretary of the Treasury shall determine annually the rate referred to in paragraph (1) (B), taking into consideration the current average market yields on outstanding interest-bearing marketable public debt obligations

of the United States of maturities comparable to those of the loans outstanding under section 314.

(c) Guarantees or agreements for deferred participation shall be made by the Secretary of Commerce only with respect to loans bearing interest at a rate which he determines to be reasonable. In no event shall the guaranteed portion of any loan, or the portion covered by an agreement for deferred participation, bear interest at a rate more than 1 percent per annum above the rate prescribed by subsection (b) (determined when the guarantee is made or the agreement is entered into), unless the Secretary of Commerce shall determine that special circumstances justify a higher rate, in which case such portion of the loan shall bear interest at a rate not more than 2 percent per annum above such prescribed rate.

(d) The Secretary of Commerce shall make no loan or guarantee having a maturity in excess of 25 years, including renewals and extensions, and shall make no agreement for deferred participation in a loan which has a maturity in excess of 25 years, including renewals and extensions. Such limitation on maturities shall not, however, apply to—

(1) securities or obligations received by the Secretary of Commerce as claimant in bankruptcy or equitable reorganization, or as creditor in other proceedings attendant upon insolvency of the obligor, or

(2) an extension or renewal for an additional period not exceeding 10 years, if the Secretary of Commerce determines that such extension or renewal is reasonably necessary for the orderly liquidation of the loan.

(e) No financial assistance shall be provided under section 314 unless the Secretary of Commerce determines that such assistance is not otherwise available to the firm, from sources other than the United States, on reasonable terms, and that there is reasonable assurance of repayment by the borrower.

(f) The Secretary of Commerce shall maintain operating reserves with respect to anticipated claims under guarantees and under agreements for deferred participation made under section 314. Such reserves shall be considered to constitute obligations for purposes of section 1311 of the Supplemental Appropriation Act, 1955 (31 U.S.C., sec. 200).

SEC. 316. ADMINISTRATION OF FINANCIAL ASSISTANCE.

(a) In making and administering guarantees, agreements for deferred participation, and loans under section 314, the Secretary of Commerce may—

(1) require security for any such guarantee, agreement, or loan, and enforce, waive, or subordinate such security;

(2) assign or sell at public or private sale, or otherwise dispose of, upon such terms and conditions and for such consideration as he shall determine to be reasonable, any evidence of debt, contract, claim, personal property, or security assigned to or held by him in connection with such guarantees, agreements, or loans, and collect, compromise, and obtain deficiency judgments with respect to all obligations assigned to or held by him in connection with such guarantees, agreements, or loans until such time as such obligations may be referred to the Attorney General for suit or collection;

(3) renovate, improve, modernize, complete, insure, rent, sell, or otherwise deal with, upon such terms and conditions and for such consideration as he shall determine to be reasonable, any real or personal property conveyed to or otherwise acquired by him in connection with such guarantees, agreements, or loans;

(4) acquire, hold, transfer, release, or convey any real or personal property or any interest therein whenever deemed necessary or appropriate, and execute all legal documents for such purposes; and

(5) exercise all such other powers and take all such other acts as may be necessary or incidental to the carrying out of functions pursuant to section 314.

(b) Any mortgage acquired as security under subsection (a) shall be recorded under applicable State law.

SEC. 317. TAX ASSISTANCE.

(a) If—

(1) to carry out an adjustment proposal of a firm certified pursuant to section 311, such firm applies for tax assistance under this section within 24 months after the close of a taxable year and alleges in such application that it has sustained a net operating loss for such taxable year,

(2) the Secretary of Commerce determines that any such alleged loss for such taxable year arose predominantly out of the carrying on of a trade or business which was seriously injured, during such year, by the increased imports which the Tariff Commission has determined to result from concessions granted under trade agreements, and

(3) the Secretary of Commerce determines that tax assistance under this section will materially contribute to the economic adjustment of the firm,

then the Secretary of Commerce shall certify such determinations with respect to such firm for such taxable year. No determination or certification under this subsection shall consti-

tute a determination of the existence or amount of any net operating loss for purposes of section 172 of the Internal Revenue Code of 1954.

(b) Subsection (b) of section 172 of the Internal Revenue Code of 1954 (relating to net operating loss carrybacks and carryovers) is amended to read as follows:

"(b) NET OPERATING LOSS CARRYBACKS AND CARRYOVERS.—

"(1) YEARS TO WHICH LOSS MAY BE CARRIED.—A net operating loss for any taxable year ending after December 31, 1957, shall be—

"(A) except as provided in subparagraph (B), a net operating loss carryback to each of the 3 taxable years preceding the taxable year of such loss,

"(B) in the case of a taxpayer with respect to a taxable year ending on or after December 31, 1962, for which a certification has been issued under section 317 of the Trade Expansion Act of 1962, a net operating loss carryback to each of the 5 taxable years preceding the taxable year of such loss, and

"(C) a net operating loss carryover to each of the 5 taxable years following the taxable year of such loss.

"(2) AMOUNT OF CARRYBACKS AND CARRYOVERS.—Except as provided in subsection (i), the en-

tire amount of the net operating loss for any taxable year (hereinafter in this section referred to as the 'loss year') shall be carried to the earliest of the taxable years to which (by reason of paragraph (1)) such loss may be carried. The portion of such loss which shall be carried to each of the other taxable years shall be the excess, if any, of the amount of such loss over the sum of the taxable income for each of the prior taxable years to which such loss may be carried. For purposes of the preceding sentence, the taxable income for any such prior taxable year shall be computed—

"(A) with the modifications specified in subsection (d) other than paragraphs (1), (4), and (6) thereof; and

"(B) by determining the amount of the net operating loss deduction without regard to the net operating loss for the loss year or for any taxable year thereafter,

and the taxable income so computed shall not be considered to be less than zero.

"(3) SPECIAL RULES.—

"(A) Paragraph (1) (B) shall apply only if—

"(i) there has been filed, at such time and

in such manner as may be prescribed by the Secretary or his delegate, a notice of filing of the application under section 317 of the Trade Expansion Act of 1962 for tax assistance, and, after its issuance, a copy of the certification under such section, and

"(ii) the taxpayer consents in writing to the assessment, within such period as may be agreed upon with the Secretary or his delegate, of any deficiency for any year to the extent attributable to the disallowance of a deduction previously allowed with respect to such net operating loss, even though at the time of filing such consent the assessment of such deficiency would otherwise be prevented by the operation of any law or rule of law.

"(B) In the case of—

"(i) a partnership and its partners, or

"(ii) an electing small business corporation under subchapter S and its shareholders,

paragraph (1) (B) shall apply as determined under regulations prescribed by the Secretary or his delegate. Such paragraph shall apply to a net operating loss of a partner or such a shareholder only if it arose predominantly from losses in respect of which

certifications under section 317 of the Trade Expansion Act of 1962 were filed under this section."

(c) Subsection (h) of section 6501 of the Internal Revenue Code of 1954 (relating to limitations on assessment and collection in the case of net operating loss carrybacks) is amended by inserting before the period: ", or within 18 months after the date on which the taxpayer files in accordance with section 172(b)(13) a copy of the certification (with respect to such taxable year) issued under section 317 of the Trade Expansion Act of 1962, whichever is later".

(d) Section 6511(d)(2)(A) of the Internal Revenue Code of 1954 (relating to special period of limitation on credit or refund with respect to net operating loss carrybacks) is amended to read as follows:

"(A) PERIOD OF LIMITATION.—If the claim for credit or refund relates to an overpayment attributable to a net operating loss carryback, in lieu of the 3-year period of limitation prescribed in subsection (a), the period shall be that period which ends with the expiration of the 15th day of the 40th month (or the 39th month, in the case of a corporation) following the end of the taxable year of the net operating loss which results in such carryback, or the period prescribed in subsection (c) in respect

of such taxable year, whichever expires later; except that—

"(i) with respect to an overpayment attributable to a net operating loss carryback to any year on account of a certification issued to the taxpayer under section 317 of the Trade Expansion Act of 1962, the period shall not expire before the expiration of the sixth month following the month in which such certification is issued to the taxpayer, and

"(ii) with respect to an overpayment attributable to the creation of, or an increase in, a net operating loss carryback as a result of the elimination of excessive profits by a renegotiation (as defined in section 1481 (a) (1) (A)), the period shall not expire before September 1, 1959, or the expiration of the twelfth month following the month in which the agreement or order for the elimination of such excessive profits becomes final, whichever is the later.

In the case of such a claim, the amount of the credit or refund may exceed the portion of the tax paid within the period provided in subsection (b) (2) or (c), whichever is applicable, to the extent of

the amount of the overpayment attributable to such carryback."

SEC. 318. PROTECTIVE PROVISIONS.

(a) Each recipient of adjustment assistance under section 313, 314, or 317 shall keep records which fully disclose the amount and disposition by such recipient of the proceeds, if any, of such adjustment assistance, and which will facilitate an effective audit. The recipient shall also keep such other records as the Secretary of Commerce may prescribe.

(b) The Secretary of Commerce and the Comptroller General of the United States shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipient pertaining to adjustment assistance under sections 313, 314, and 317.

(c) No adjustment assistance shall be extended under section 313, 314, or 317 to any firm unless the owners, partners, or officers certify to the Secretary of Commerce—

(1) the names of any attorneys, agents, and other persons engaged by or on behalf of the firm for the purpose of expediting applications for such adjustment assistance, and

(2) the fees paid or to be paid to any such person.

(d) No financial assistance shall be provided to any firm under section 314 unless the owners, partners, or officers

shall execute an agreement binding them and the firm for a period of 2 years after such financial assistance is provided, to refrain from employing, tendering any office or employment to, or retaining for professional services any person who, on the date such assistance or any part thereof was provided, or within one year prior thereto, shall have served as an officer, attorney, agent, or employee occupying a position or engaging in activities which the Secretary of Commerce shall have determined involve discretion with respect to the provision of such financial assistance.

SEC. 319. PENALTIES.

Whoever makes a false statement of a material fact knowing it to be false, or knowingly fails to disclose a material fact, or whoever willfully overvalues any security, for the purpose of influencing in any way the action of the Secretary of Commerce under this chapter, or for the purpose of obtaining money, property, or anything of value under this chapter, shall be fined not more than $5,000 or imprisoned for not more than two years, or both.

SEC. 320. SUITS.

In providing technical and financial assistance under sections 313 and 314, the Secretary of Commerce may sue and be sued in any court of record of a State having general jurisdiction or in any United States district court, and juris-

diction is conferred upon such district court to determine such controversies without regard to the amount in controversy; but no attachment, injunction, garnishment, or other similar process, mesne or final, shall be issued against him or his property. Nothing in this section shall be construed to except the activities pursuant to sections 313 and 314 from the application of sections 507 (b) and 2679 of title 28 of the United States Code, and of section 367 of the Revised Statutes (5 U.S.C., sec. 316).

CHAPTER 3—ASSISTANCE TO WORKERS

SEC. 321. AUTHORITY.

The Secretary of Labor shall determine whether applicants are entitled to receive assistance under this chapter and shall pay or provide such assistance to applicants who are so entitled.

Subchapter A—Trade Readjustment Allowances

SEC. 322. QUALIFYING REQUIREMENTS.

(a) Payment of a trade readjustment allowance shall be made to an adversely affected worker who applies for such allowance for any week of unemployment which begins after the 30th day after the date of the enactment of this Act and after the date determined under section 302 (d), subject to the requirements of subsections (b) and (c).

(b) Total or partial separation shall have occurred—

(1) after the date of the enactment of this Act, and after the date determined under section 302(d), and

(2) before the expiration of the 2-year period beginning on the day on which the most recent determination under section 302(d) was made, and before the termination date (if any) specified under section 302(e).

(c) Such worker shall have had—

(1) in the 156 weeks immediately preceding such total or partial separation, at least 78 weeks of employment at wages of $15 or more a week, and

(2) in the 52 weeks immediately preceding such total or partial separation, at least 26 weeks of employment at wages of $15 or more a week in a firm or firms with respect to which a determination of unemployment or underemployment under section 302 has been made, or

if data with respect to weeks of employment are not available, equivalent amounts of employment computed under regulations prescribed by the Secretary of Labor.

SEC. 323. WEEKLY AMOUNTS.

(a) Subject to the other provisions of this section, the trade readjustment allowance payable to an adversely affected worker for a week of unemployment shall be an

amount equal to 65 percent of his average weekly wage or to 65 percent of the average weekly manufacturing wage, whichever is less, reduced by 50 percent of the amount of his remuneration for services performed during such week.

(b) Any adversely affected worker who is entitled to trade readjustment allowances and who is undergoing training approved by the Secretary of Labor, including on-the-job training, shall receive for each week in which he is undergoing any such training, a trade readjustment allowance in an amount (computed for such week) equal to the amount computed under subsection (a) or (if greater) the amount of any weekly allowance for such training to which he would be entitled under any other Federal law for the training of workers, if he applied for such allowance. Such trade readjustment allowance shall be paid in lieu of any training allowance to which the worker would be entitled under such other Federal law.

(c) (1) The amount payable to an adversely affected worker under subsection (a) for any week shall be reduced by any amount of unemployment insurance to which he is entitled with respect to such week (or would be entitled but for this chapter or any action taken by such worker under this chapter), whether or not he has filed a claim for such insurance.

(2) The amount payable to an adversely affected worker

under subsection (b) for any week shall be reduced by any amount of unemployment insurance which he has received or is seeking with respect to such week; but, if the appropriate State or Federal agency finally determines that the worker was not entitled to unemployment insurance with respect to such week, the reduction shall not apply with respect to such week.

(d) If unemployment insurance, or a training allowance under the Manpower Development and Training Act of 1962 or the Area Redevelopment Act, is payable to an adversely affected worker for any week of unemployment with respect to which he would be entitled (determined without regard to subsection (c) or (e) or to any disqualification under section 327) to a trade readjustment allowance if he applied for such allowance, each such week shall be deducted from the total number of weeks of trade readjustment allowance otherwise payable to him under section 324(a) when he applies for a trade readjustment allowance and is determined to be entitled to such allowance. If the unemployment insurance or the training allowance payable to such worker for any week of unemployment is less than the amount of the trade readjustment allowance to which he would be entitled if he applied for such allowance, he shall receive, when he applies for a trade readjustment allowance and is determined to be

entitled to such allowance, a trade readjustment allowance for such week equal to such difference.

(e) Whenever, with respect to any week of unemployment, the total amount payable to an adversely affected worker as remuneration for services performed during such week, as unemployment insurance, as a training allowance referred to in subsection (d), and as a trade readjustment allowance would exceed 75 percent of his average weekly wage, his trade readjustment allowance for such week shall be reduced by the amount of such excess.

(f) The amount of any weekly payment to be made under this section which is not a whole dollar amount shall be rounded upward to the next higher whole dollar amount.

(g) If unemployment insurance is paid under a State law to an adversely affected worker for a week during which he is undergoing training approved by the Secretary of Labor, the State agency making such payment shall be reimbursed from funds appropriated pursuant to section 337, to the extent that such payment does not exceed the trade readjustment allowance which such worker would have received if he had applied for such allowance and had not received the State payment. The amount of such reimbursement shall be determined by the Secretary of Labor on the basis of reports furnished to him by the State agency

and such amount shall then be placed in the Unemployment Trust Fund to the credit of the State's account.

SEC. 324. TIME LIMITATIONS ON TRADE READJUSTMENT ALLOWANCES.

(a) Payment of trade readjustment allowances shall not be made to an adversely affected worker for more than 52 weeks, except that, in accordance with regulations prescribed by the Secretary of Labor—

(1) such payments may be made for not more than 26 additional weeks to an adversely affected worker to assist him to complete training approved by the Secretary of Labor, or

(2) such payments shall be made for not more than 13 additional weeks to an adversely affected worker who had reached his 60th birthday on or before the date of total or partial separation.

(b) Except for a payment made for an additional week specified in subsection (a), a trade readjustment allowance shall not be paid for a week of unemployment beginning more than 2 years after the beginning of the appropriate week. A trade readjustment allowance shall not be paid for any additional week specified in subsection (a) if such week begins more than 3 years after the beginning of the appropriate week. The appropriate week for a totally

separated worker is the week of his most recent total separation. The appropriate week for a partially separated worker is the week in respect of which he first receives a trade readjustment allowance following his most recent partial separation.

SEC. 325. APPLICATION OF STATE LAWS.

Except where inconsistent with the provisions of this chapter and subject to such regulations as the Secretary of Labor may prescribe, the availability and disqualification provisions of the State law—

(1) under which an adversely affected worker is entitled to unemployment insurance (whether or not he has filed a claim for such insurance), or

(2) if he is not so entitled to unemployment insurance, of the State in which he was totally or partially separated,

shall apply to any such worker who files a claim for trade readjustment allowances. The State law so determined with respect to a separation of a worker shall remain applicable, for purposes of the preceding sentence, with respect to such separation until such worker becomes entitled to unemployment insurance under another State law (whether or not he has filed a claim for such insurance).

Subchapter B—Training

SEC. 326. IN GENERAL.

(a) To assure that the readjustment of adversely affected workers shall occur as quickly and effectively as possible, with minimum reliance upon trade readjustment allowances under this chapter, every effort shall be made to prepare each such worker for full employment in accordance with his capabilities and prospective employment opportunities. To this end, and subject to this chapter, adversely affected workers shall be afforded, where appropriate, the testing, counseling, training, and placement services provided for under any Federal law. Such workers may also be afforded supplemental assistance necessary to defray transportation and subsistence expenses for separate maintenance when such training is provided in facilities which are not within commuting distance of their regular place of residence. The Secretary of Labor in defraying such subsistence expenses shall not afford any individual an allowance exceeding $5 a day; nor shall the Secretary authorize any transportation expense exceeding the rate of 10 cents per mile.

(b) To the extent practicable, before adversely affected workers are referred to training, the Secretary of Labor shall consult with such workers' firm and their certified or recognized union or other duly authorized representative and develop a worker retraining plan which provides for training

such workers to meet the manpower needs of such firm, in order to preserve or restore the employment relationship between the workers and the firm.

SEC. 327. DISQUALIFICATION FOR REFUSAL OF TRAINING, ETC.

Any adversely affected worker who, without good cause, refuses to accept or continue, or fails to make satisfactory progress in, suitable training to which he has been referred by the Secretary of Labor shall not thereafter be entitled to trade readjustment allowances until he enters or resumes training to which he has been so referred.

Subchapter C—Relocation Allowances

SEC. 328. RELOCATION ALLOWANCES AFFORDED.

Any adversely affected worker who is the head of a family as defined in regulations prescribed by the Secretary of Labor and who has been totally separated may file an application for a relocation allowance, subject to the terms and conditions of this subchapter.

SEC. 329. QUALIFYING REQUIREMENTS.

(a) A relocation allowance may be granted only to assist an adversely affected worker in relocating within the United States and only if the Secretary of Labor determines that such worker cannot reasonably be expected to secure suitable employment in the commuting area in which he resides and that such worker—

(1) has obtained suitable employment affording a reasonable expectation of long-term duration in the area in which he wishes to relocate, or

(2) has obtained a bona fide offer of such employment.

(b) A relocation allowance shall not be granted to such worker unless—

(1) for the week in which the application for such allowance is filed, he is entitled (determined without regard to section 323 (c) and (e)) to a trade readjustment allowance or would be so entitled (determined without regard to whether he filed application therefor) but for the fact that he has obtained the employment referred to in subsection (a) (1), and

(2) such relocation occurs within a reasonable period after the filing of such application or (in the case of a worker who has been referred to training by the Secretary of Labor) within a reasonable period after the conclusion of such training.

SEC. 330. RELOCATION ALLOWANCE DEFINED.

For purposes of this subchapter, the term "relocation allowance" means—

(1) the reasonable and necessary expenses, as

specified in regulations prescribed by the Secretary of Labor, incurred in transporting a worker and his family and their household effects, and

(2) a lump sum equivalent to two and one-half times the average weekly manufacturing wage.

Subchapter D—General Provisions

SEC. 331. AGREEMENTS WITH STATES.

(a) The Secretary of Labor is authorized on behalf of the United States to enter into an agreement with any State, or with any State agency. Under such an agreement, the State agency (1) as agent of the United States, will receive applications for, and will provide, assistance on the basis provided in this chapter, (2) where appropriate, will afford adversely affected workers who apply for assistance under this chapter testing, counseling, referral to training, and placement services, and (3) will otherwise cooperate with the Secretary of Labor and with other State and Federal agencies in providing assistance under this chapter.

(b) Each agreement under this subchapter shall provide the terms and conditions upon which the agreement may be amended, suspended, or terminated.

(c) Each agreement under this subchapter shall provide that unemployment insurance otherwise payable to any

adversely affected worker will not be denied or reduced for any week by reason of any right to allowances under this chapter.

SEC. 332. PAYMENTS TO STATES.

(a) The Secretary of Labor shall from time to time certify to the Secretary of the Treasury for payment to each State which has entered into an agreement under section 331 the sums necessary to enable such State as agent of the United States to make payments of allowances provided for by this chapter. The Secretary of the Treasury, prior to audit or settlement by the General Accounting Office, shall make payment to the State in accordance with such certification, from the funds for carrying out the purposes of this chapter.

(b) All money paid a State under this section shall be used solely for the purposes for which it is paid; and any money so paid which is not used for such purposes shall be returned, at the time specified in the agreement under this subchapter, to the Treasury and credited to current applicable appropriations, funds, or accounts from which payments to States under this section may be made.

(c) Any agreement under this subchapter may require any officer or employee of the State certifying payments or disbursing funds under the agreement, or otherwise participating in the performance of the agreement, to give a surety

bond to the United States in such amount as the Secretary of Labor may deem necessary, and may provide for the payment of the cost of such bond from funds for carrying out the purposes of this chapter.

SEC. 333. LIABILITIES OF CERTIFYING AND DISBURSING OFFICERS.

(a) No person designated by the Secretary of Labor, or designated pursuant to an agreement under this subchapter, as a certifying officer, shall, in the absence of gross negligence or intent to defraud the United States, be liable with respect to the payment of any allowance certified by him under this chapter.

(b) No disbursing officer shall, in the absence of gross negligence or intent to defraud the United States, be liable with respect to any payment by him under this chapter if it was based upon a voucher signed by a certifying officer designated as provided in subsection (a).

SEC. 334. RECOVERY OF OVERPAYMENTS.

(a) If a State agency or the Secretary of Labor, or a court of competent jurisdiction finds that any person—

(1) has made, or has caused to be made by another, a false statement or representation of a material fact knowing it to be false, or has knowingly failed or caused another to fail to disclose a material fact; and

(2) as a result of such action has received any pay-

ment of allowances under this chapter to which he was not entitled,

such person shall be liable to repay such amount to the State agency or the Secretary of Labor, as the case may be, or either may recover such amount by deductions from any allowance payable to such person under this chapter. Any such finding by a State agency or the Secretary of Labor may be made only after an opportunity for a fair hearing.

(b) Any amount repaid to a State agency under this section shall be deposited into the fund from which payment was made. Any amount repaid to the Secretary of Labor under this section shall be returned to the Treasury and credited to the current applicable appropriation, fund, or account from which payment was made.

SEC. 335. PENALTIES.

Whoever makes a false statement of a material fact knowing it to be false, or knowingly fails to disclose a material fact, for the purpose of obtaining or increasing for himself or for any other person any payment or assistance authorized to be furnished under this chapter or pursuant to an agreement under section 331 shall be fined not more than $1,000 or imprisoned for not more than one year, or both.

SEC. 336. REVIEW.

Except as may be provided in regulations prescribed by the Secretary of Labor to carry out his functions under this

chapter, determinations under this chapter as to the entitlement of individuals for adjustment assistance shall be final and conclusive for all purposes and not subject to review by any court or any other officer. To the maximum extent practicable and consistent with the purposes of this chapter, such regulations shall provide that such determinations by a State agency will be subject to review in the same manner and to the same extent as determinations under the State law.

SEC. 337. AUTHORIZATION OF APPROPRIATIONS.

There are hereby authorized to be appropriated to the Secretary of Labor such sums as may be necessary from time to time to carry out his functions under this chapter in connection with furnishing adjustment assistance to workers, which sums are authorized to be appropriated to remain available until expended.

SEC. 338. DEFINITIONS.

For purposes of this chapter—

(1) The term "adversely affected employment" means employment in a firm or appropriate subdivision of a firm, if workers of such firm or subdivision are eligible to apply for adjustment assistance under this chapter.

(2) The term "adversely affected worker" means an individual who, because of lack of work in an adversely affected employment—

(A) has been totally or partially separated from such employment, or

(B) has been totally separated from employment with the firm in a subdivision of which such adversely affected employment exists.

(3) The term "average weekly manufacturing wage" means the national gross average weekly earnings of production workers in manufacturing industries for the latest calendar year (as officially published annually by the Bureau of Labor Statistics of the Department of Labor) most recently published before the period for which the assistance under this chapter is furnished.

(4) The term "average weekly wage" means one-13th of the total wages paid to an individual in the high quarter. For purposes of this computation, the high quarter shall be that quarter in which the individual's total wages were highest among the first 4 of the last 5 completed calendar quarters immediately before the quarter in which occurs the week with respect to which the computation is made. Such week shall be the week in which total separation occurred, or, in cases where partial separation is claimed, an appropriate week, as defined in regulations prescribed by the Secretary of Labor.

(5) The term "average weekly hours" means the

average hours worked by the individual (excluding overtime) in the employment from which he has been or claims to have been separated in the 52 weeks (excluding weeks during which the individual was sick or on vacation) preceding the week specified in the last sentence of paragraph (4).

(6) The term "partial separation" means, with respect to an individual who has not been totally separated, that he has had his hours of work reduced to 80 percent or less of his average weekly hours in adversely affected employment and his wages reduced to 75 percent or less of his average weekly wage in such adversely affected employment.

(7) The term "remuneration" means wages and net earnings derived from services performed as a self-employed individual.

(8) The term "State" includes the District of Columbia and the Commonwealth of Puerto Rico; and the term "United States" when used in the geographical sense includes such Commonwealth.

(9) The term "State agency" means the agency of the State which administers the State law.

(10) The term "State law" means the unemployment insurance law of the State approved by the Secre-

tary of Labor under section 3304 of the Internal Revenue Code of 1954.

(11) The term "total separation" means the layoff or severance of an individual from employment with a firm in which, or in a subdivision of which, adversely affected employment exists.

(12) The term "unemployment insurance" means the unemployment insurance payable to an individual under any State law or Federal unemployment insurance law, including title XV of the Social Security Act, the Railroad Unemployment Insurance Act, and the Temporary Extended Unemployment Compensation Act of 1961.

(13) The term "week" means a week as defined in the applicable State law.

(14) The term "week of unemployment" means with respect to an individual any week for which his remuneration for services performed during such week is less than 75 percent of his average weekly wage and in which, because of lack of work—

(A) if he has been totally separated, he worked less than the full-time week (excluding overtime) in his current occupation, or

(B) if he has been partially separated, he

worked 80 percent or less of his average weekly hours.

CHAPTER 4—TARIFF ADJUSTMENT

SEC. 351. AUTHORITY.

(a) (1) After receiving an affirmative finding of the Tariff Commission under section 301 (b) with respect to an industry, the President may proclaim such increase in, or imposition of, any duty or other import restriction on the article causing or threatening to cause serious injury to such industry as he determines to be necessary to prevent or remedy serious injury to such industry.

(2) If the President does not, within 60 days after the date on which he receives such affirmative finding, proclaim the increase in, or imposition of, any duty or other import restriction on such article found and reported by the Tariff Commission pursuant to section 301 (e)—

(A) he shall immediately submit a report to the House of Representatives and to the Senate stating why he has not proclaimed such increase or imposition, and

(B) such increase or imposition shall take effect (as provided in paragraph (3)) upon the adoption by both Houses of the Congress (within the 60-day period following the date on which the report referred to in subparagraph (A) is submitted to the House of Repre-

sentatives and the Senate) by the yeas and nays by a two-thirds vote of each House, of a concurrent resolution stating in effect that the Senate and House of Representatives approve the increase in, or imposition of, any duty or other import restriction on the article found and reported by the Tariff Commission.

For purposes of subparagraph (B), in the computation of the 60-day period there shall be excluded the days on which either House is not in session because of adjournment of more than 3 days to a day certain or an adjournment of the Congress sine die. The report referred to in subparagraph (A) shall be delivered to both Houses of the Congress on the same day and shall be delivered to the Clerk of the House of Representatives if the House of Representatives is not in session and to the Secretary of the Senate if the Senate is not in session.

(3) In any case in which the contingency set forth in paragraph (2) (B) occurs, the President shall (within 15 days after the adoption of such resolution) proclaim the increase in, or imposition of, any duty or other import restriction on the article which was found and reported by the Tariff Commission pursuant to section 301(e).

(4) The President may, within 60 days after the date on which he receives an affirmative finding of the Tariff Commission under section 301(b) with respect to an in-

dustry, request additional information from the Tariff Commission. The Tariff Commission shall, as soon as practicable but in no event more than 120 days after the date on which it receives the President's request, furnish additional information with respect to such industry in a supplemental report. For purposes of paragraph (2), the date on which the President receives such supplemental report shall be treated as the date on which the President received the affirmative finding of the Tariff Commission with respect to such industry.

(b) No proclamation pursuant to subsection (a) shall be made—

(1) increasing any rate of duty to a rate more than 50 percent above the rate existing on July 1, 1934, or

(2) in the case of an article not subject to duty, imposing a duty in excess of 50 percent ad valorem.

For purposes of paragraph (1), the term "existing on July 1, 1934" has the meaning assigned to such term by paragraph (5) of section 256.

(c) (1) Any increase in, or imposition of, any duty or other import restriction proclaimed pursuant to this section or section 7 of the Trade Agreements Extension Act of 1951—

(A) may be reduced or terminated by the Presi-

(5) Advice by the Tariff Commission under this subsection shall be given on the basis of an investigation during the course of which the Tariff Commission shall hold a hearing at which interested persons shall be given a reasonable opportunity to be present, to produce evidence, and to be heard.

(e) The President, as soon as practicable, shall take such action as he determines to be necessary to bring trade agreements entered into under section 350 of the Tariff Act of 1930 into conformity with the provisions of this section. No trade agreement shall be entered into under section 201 (a) unless such agreement permits action in conformity with the provisions of this section.

SEC. 352. CONGRESSIONAL PROCEDURE.

(a) The following subsections of this section are enacted by the Congress:

(1) As an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they shall be considered as part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in such House in the case of resolutions (as defined in subsection (b)); and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) With full recognition of the constitutional right of either House to change such rules (so far as relating to the procedure in such House) at any time, in the same manner and to the same extent as in the case of any other rule of such House.

(b) As used in this section, the term "resolution" means only a concurrent resolution of the two Houses of Congress, the matter after the resolving clause of which is as follows: "That the Senate and House of Representatives approve the increase in, or imposition of, any duty or other import restriction—

"(1) found and reported by the United States Tariff Commission to be necessary to prevent or remedy serious injury to the domestic industry, in its report to the President dated , 19 , on its investigation numbered under section 301(b) of the Trade Expansion Act of 1962, and

"(2) with respect to which the President submitted his report (dated , 19) pursuant to section 351(a)(2)(A) of such Act stating why he did not proclaim the increase in, or imposition of, any duty or other import restriction so found and reported by the Tariff Commission.",

the blank spaces therein being appropriately filled; and does

not include a concurrent resolution which specifies more than one such investigation.

(c) A resolution with respect to an investigation shall be referred to the Committee on Finance of the Senate or to the Committee on Ways and Means of the House of Representatives by the President of the Senate or the Speaker of the House of Representatives, as the case may be.

(d) (1) If the committee to which has been referred a resolution with respect to an investigation has not reported it before the expiration of ten calendar days after its introduction (or, in the case of a resolution received from the other House, ten calendar days after its receipt), it shall then (but not before) be in order to move either to discharge the committee from further consideration of such resolution, or to discharge the committee from further consideration of any other resolution with respect to such investigation which has been referred to the committee.

(2) Such motion may be made only by a person favoring the resolution, shall be highly privileged (except that it may not be made after the committee has reported a resolution with respect to the same investigation), and debate thereon shall be limited to not to exceed one hour, to be equally divided between those favoring and those opposing the resolution. No amendment to such motion shall be in

order, and it shall not be in order to move to reconsider the vote by which such motion is agreed to or disagreed to.

(3) If the motion to discharge is agreed to or disagreed to, such motion may not be renewed, nor may another motion to discharge the committee be made with respect to any other resolution with respect to the same investigation.

(e) (1) When the committee has reported, or has been discharged from further consideration of, a resolution with respect to an investigation it shall at any time thereafter be in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of such resolution. Such motion shall be highly privileged and shall not be debatable. No amendment to such motion shall be in order and it shall not be in order to move to reconsider the vote by which such motion is agreed to or disagreed to.

(2) Debate on the resolution shall be limited to not to exceed ten hours, which shall be equally divided between those favoring and those opposing the resolution. A motion further to limit debate shall not be debatable. No amendment to, or motion to recommit, the resolution shall be in order, and it shall not be in order to move to reconsider the vote by which the resolution is agreed to or disagreed to.

(f) (1) All motions to postpone, made with respect

to the discharge from committee, or the consideration of, a resolution with respect to an investigation, and all motions to proceed to the consideration of other business, shall be decided without debate.

(2) All appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to a resolution with respect to an investigation shall be decided without debate.

(g) If, prior to the passage by one House a resolution of that House with respect to an investigation, such House receives from the other House a resolution with respect to the same investigation, then—

(1) If no resolution of the first House with respect to such investigation has been referred to committee, no other resolution with respect to the same investigation may be reported or (despite the provisions of subsection (d) (1)) be made the subject of a motion to discharge.

(2) If a resolution of the first House with respect to such investigation has been referred to committee—

(A) the procedure with respect to that or other resolutions of such House with respect to such investigation which have been referred to commit-

tee shall be the same as if no resolution from the other House with respect to such investigation had been received; but

(B) on any vote on final passage of a resolution of the first House with respect to such investigation the resolution from the other House with respect to such investigation shall be automatically substituted for the resolution of the first House.

CHAPTER 5—ADVISORY BOARD

SEC. 361. ADJUSTMENT ASSISTANCE ADVISORY BOARD.

(a) There is hereby created the Adjustment Assistance Advisory Board, which shall consist of the Secretary of Commerce, as Chairman, and the Secretaries of the Treasury, Agriculture, Labor, Interior, and Health, Education, and Welfare, the Administrator of the Small Business Administration, and such other officers as the President deems appropriate. Each member of the Board may designate an officer of his agency to act for him as a member of the Board. The Chairman may from time to time invite the participation of officers of other agencies of the executive branch.

(b) At the request of the President, the Board shall advise him and the agencies furnishing adjustment assistance pursuant to chapters 2 and 3 on the development of coordinated programs for such assistance, giving full considera-

tion to ways of preserving and restoring the employment relationship of firms and workers where possible, consistent with sound economic adjustment.

(c) The Chairman may appoint for any industry an industry committee composed of members representing employers, workers, and the public, for the purpose of advising the Board. Members of any such committee shall, while attending meetings, be entitled to receive compensation and reimbursement as provided in section 401(3). The provisions of section 1003 of the National Defense Education Act of 1958 (20 U.S.C. 582) shall apply to members of such committee.

TITLE IV—GENERAL PROVISIONS

SEC. 401. AUTHORITIES.

The head of any agency performing functions under this Act may—

(1) authorize the head of any other agency to perform any of such functions;

(2) prescribe such rules and regulations as may be necessary to perform such functions; and

(3) to the extent necessary to perform such functions, procure the temporary (not in excess of one year) or intermittent services of experts or consultants or organizations thereof, including stenographic reporting services, by contract or appointment, and in such cases

such services shall be without regard to the civil service and classification laws, and, except in the case of stenographic reporting services by organizations, without regard to section 3709 of the Revised Statutes (41 U.S.C. 5). Any individual so employed may be compensated at a rate not in excess of $75 per diem, and, while such individual is away from his home or regular place of business, he may be allowed transportation and not to exceed $16 per diem in lieu of subsistence and other expenses.

SEC. 402. REPORTS.

(a) The President shall submit to the Congress an annual report on the trade agreements program and on tariff adjustment and other adjustment assistance under this Act. Such report shall include information regarding new negotiations, changes made in duties and other import restrictions of the United States, reciprocal concessions obtained, changes in trade agreements in order to effectuate more fully the purposes of the trade agreements program (including the incorporation therein of escape clauses), the results of action taken to obtain removal of foreign trade restrictions (including discriminatory restrictions) against United States exports, remaining restrictions, and the measures available to seek their removal in accordance with the purposes of this

Act, and other information relating to the trade agreements program and to the agreements entered into thereunder.

(b) The Tariff Commission shall submit to the Congress, at least once a year, a factual report on the operation of the trade agreements program.

SEC. 403. TARIFF COMMISSION.

(a) In order to expedite the performance of its functions under this Act, the Tariff Commission may conduct preliminary investigations, determine the scope and manner of its proceedings, and consolidate proceedings before it.

(b) In performing its functions under this Act, the Tariff Commission may exercise any authority granted to it under any other Act.

(c) The Tariff Commission shall at all times keep informed concerning the operation and effect of provisions relating to duties or other import restrictions of the United States contained in trade agreements entered into under the trade agreements program.

SEC. 404. SEPARABILITY.

If any provision of this Act or the application of any provision to any circumstances or persons shall be held invalid, the validity of the remainder of this Act, and of the application of such provision to other circumstances or persons, shall not be affected thereby.

SEC. 405. DEFINITIONS.

For purposes of this Act—

(1) The term "agency" includes any agency, department, board, wholly or partly owned corporation, instrumentality, commission, or establishment of the United States.

(2) The term "duty or other import restriction" includes (A) the rate and form of an import duty, and (B) a limitation, prohibition, charge, and exaction other than duty, imposed on importation or imposed for the regulation of imports.

(3) The term "firm" includes an individual proprietorship, partnership, joint venture, association, corporation (including a development corporation), business trust, cooperative, trustees in bankruptcy, and receivers under decree of any court. A firm, together with any predecessor, successor, or affiliated firm controlled or substantially beneficially owned by substantially the same persons, may be considered a single firm where necessary to prevent unjustifiable benefits.

(4) An imported article is "directly competitive with" a domestic article at an earlier or later stage of processing, and a domestic article is "directly competitive with" an imported article at an earlier or later stage

of processing, if the importation of the imported article has an economic effect on producers of the domestic article comparable to the effect of importation of articles in the same stage of processing as the domestic article. For purposes of this paragraph, the unprocessed article is at an earlier stage of processing.

(5) A product of a country is an article which is the growth, produce, or manufacture of such country.

(6) The term "modification", as applied to any duty or other import restriction, includes the elimination of any duty.

87TH CONGRESS
2D SESSION

H. R. 11970

A BILL

To promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes.

By Mr. MILLS

JUNE 4, 1962
Referred to the Committee on Ways and Means

Daily Digest

HIGHLIGHTS

House committee approved the Trade Expansion Act of 1962.

Senate

Chamber Action

The Senate was not in session today. Its next meeting will be held Tuesday, June 5, at noon.

Committee Meetings

(*Committees not listed did not meet*)

MILITARY CENSORSHIP

Committee on Armed Services: Special Preparedness Subcommittee resumed its hearings on military cold war education and speech review policies, receiving further testimony from Under Secretary of State George Ball. Mr. Ball testified and answered questions with regard to a State Department report giving explanations for deletions and changes in certain speeches of Department of Defense personnel.

House of Representatives

Chamber Action

Bills Introduced: 13 public bills, H.R. 11970–11982; and 7 private bills, H.R. 11983–11989, were introduced.

Page 8903

Bill Reported: One report was filed as follows: H.R. 10113, to establish an Office of Public Works Coordination and Acceleration and to authorize the preparation of a plan for acceleration of public works when necessary to avoid serious nationwide unemployment levels, filed on June 2 (H. Rept. 1756).

Pages 8902–8903

Bills Rereferred: The Committee on the Judiciary was discharged from further consideration of H.R. 10038 and 10124, bills to provide civil remedies to persons damaged by unfair commercial activities in or affecting commerce, and the bills were rereferred to the Committee on Interstate and Foreign Commerce.

Page 8883

Consent Calendar: Passed the following bills on the call of the Consent Calendar:

Cleared for the President:

Bob Hope medal: S.J. Res. 88, authorizing the issuance of a gold medal to Bob Hope.

Sent to the Senate without amendment:

Nuclear Interstate Compact: H.R. 10618, granting the consent of Congress to the Southern Interstate Nuclear Compact;

Marshals' fees: H.R. 10651, to amend U.S. Code with respect to fees of U.S. marshals; and

Civil defense emergencies: H.R. 11743, extending civil defense emergency authorities.

Sent to the Senate, amended:

Marine Corps relief: H.R. 9522, for the relief of certain members of the U.S. Marine Corps who incurred losses pursuant to the cancellation of a permanent change of station movement; and

Stockpile disposition: H. Con. Res. 473, providing congressional approval for the disposition of certain materials from the national stockpile.

Eligible bills not considered:

Passed over without prejudice: H.R. 4012, 6759, 9199, 10066, and 10265.

Pages 8883–8888

Program for Tuesday: Adjourned at 12:21 p.m. until Tuesday, June 5, at 12 o'clock noon, when the House will call the Private Calendar and resume consideration of H.R. 11665, to revise the formula for apportioning cash assistance funds among the States under the National School Lunch Act. Also will consider H.R. 5532, to amend the Armed Services Procurement Act of 1947 (1 hour of debate).

Committee Meetings

SUGAR

Committee on Agriculture: Met in executive session on H.R. 11730, proposing a 5-year extension of the Sugar Act. No announcements were made.

DEFENSE AGENCIES

Committee on Armed Services: Special Subcommittee on Defense Agencies heard testimony from Robert S. McNamara, Secretary of Defense, accompanied by the General Counsel, Department of Defense, regarding Department of Defense agencies.

RESERVE POSTURE

Committee on Armed Services: Subcommittee No. 3 heard testimony from Department of Defense witnesses on Reserve posture and recall of reservists.

TECHNICAL EDUCATION

Committee on Education and Labor: Special Subcommittee on Education held a hearing on H.R. 10396, relating to Federal assistance for the establishment, expansion, and improvement of programs of technical education at the college level. Heard testimony from public witnesses.

D.C. BUSINESS

Committee on the District of Columbia: Subcommittee No. 5 held a hearing on H.R. 9954, to amend the act of June 6, 1924, relating to the National Capital Park and Planning Commission; and S. 1834, to provide for an increase in the authorization funds to be granted for the construction of hospital facilities in D.C.

Heard testimony from Representative Lankford (S. 1834); D.C. officials (both bills); and public witnesses (both bills).

YAKIMA INDIANS

Committee on Interior and Insular Affairs: Subcommittee on Indian Affairs held a hearing on H.R. 3784, and similar bills, relating to the Yakima Tribes of Indians of the State of Washington. Heard testimony from Representative May; and Department of the Interior officials. A statement was presented for the record by Representative Tollefson.

MINING

Committee on Interior and Insular Affairs: Subcommittee on Mines and Mining held a hearing on H.R. 9280, to amend section 2 of the Materials Act; H.R. 10732 and 11049, to provide for the relief of certain oil and gas lessees under the Mineral Leasing Act; and H.R. 10540, to exclude deposits of petrified wood from appropriation under the U.S. mining laws. Heard testimony from Interior Department representatives. Recessed until Tuesday, June 5.

ANNOUNCEMENT—QUALITY STABILIZATION ACT

Committee on Interstate and Foreign Commerce: Subcommittee on Commerce and Finance announced that hearings on quality stabilization bills, originally scheduled to begin June 12, have been rescheduled to begin June 11.

IMMIGRATION

Committee on the Judiciary: Subcommittee No. 1 took testimony and acted on several private immigration bills.

COMMUNIST ACTIVITIES

Committee on Un-American Activities: The committee heard testimony from public witnesses on Communist conspiratorial techniques and propaganda used in implementing Communist Party directives within the U.S., and the structure, objectives, and activities of the Communist Party in the Cleveland, Ohio, area. Hearings continue Tuesday, June 5.

TRADE EXPANSION

Committee on Ways and Means: Met in executive session and ordered reported favorably to the House the following bills:

H.R. 11970 (a clean bill to supersede H.R. 9900), the Trade Expansion Act of 1962; and

H.R. 8824 (amended), to modify the application of the personal holding company tax in the case of consumer finance companies.

The committee also agreed to an amendment to be offered on the House floor to H.R. 6145, to provide that certain reduced credits against the Federal unemployment tax shall not apply with respect to taxable years beginning before January 1, 1964.

Joint Committee Meetings

RADIATION STANDARDS

Joint Committee on Atomic Energy: Subcommittee on Research, Development, and Radiation began a series of hearings on radiation standards, including fallout, receiving testimony from Dr. G. Hoyt Whipple, associate

not inconsistent with locally approved comprehensive plans. Requires that not more than 10 percent of the amounts allocated shall be available for public works within any one State.

6. FARM PROGRAM. Rep. Bolton criticized the farm bill. p. 9435
Rep. Harsha criticized the farm bill, saying, "The farm bill in its present form is the most ominous power grab ever devised. This bill will destroy the last vestige of free enterprise among farmers, it is a nightmare of increased controls, costs and regimentation." pp. 9438-9

7. LUMBER. Rep. O'Hara, Ill., discussed the condition of the walnut veneer industry, saying, "Countries abroad, short of hardwood which they have squandered on their own soil, are buying increasing quantities of black walnut veneer logs in this country, driving up the price to astronomical figures and threatening the very existence of our domestic industry." He urged export controls that "would help promote the domestic economy and would not injure our foreign trade policies." pp. 9446-8

8. TEXTILES. Rep. Jonas discussed the plight of the domestic textile industry and said, "I respectfully request prompt action on the part of our Government to take such steps as may be necessary to halt this tremendously increasing flow of textile products into this country." pp. 9448-9

9. APPROPRIATIONS. Received from the President "amendments to the budget for the fiscal year 1963 involving a net decrease in the amount of $16,700,000 for the Agency for International Development" (H. Doc. 430). p. 9450

10. FOREIGN TRADE. The Ways and Means Committee reported with amendments H. R. 11970, the proposed Trade Expansion Act of 1962 (H. Rept. 1818). p. 9451

11. ATOMIC ENERGY. The "Daily Digest" states that the Joint Committee on Atomic Energy "in executive session, ordered favorably reported to the Senate and House, respectively, clean bills embodying amended versions of S. 3292 and H. R. 11733, fiscal 1963 authorizations for the Atomic Energy Commission." p. D462

12. LEGISLATIVE PROGRAM. Rep. Albert announced that H. R. 11990, the temporary increase in the public debt, will be considered on Wed., June 13. pp. 9434-5

SENATE

13. INTERIOR AND RELATED AGENCIES APPROPRIATION BILL, 1963. Passed with amendments this bill, H. R. 10802 (pp. 9484-90, 9498-9523, 9524-32). Conferees were appointed (p. 9532).
Agreed to the following amendments:
By Sen. Magnuson, by a vote of 47 to 41, to increase from $2 million to $6 million the amount for acquiring by condemnation or otherwise additional roads needed for access to national forest lands, to remain available until expended. pp. 9484-90, 9498-9507
By Sen. Magnuson, by a vote of 49 to 40, to strike from his amendment above the terms "acquiring by condemnation or otherwise" and "to remain available until expended" (pp. 9508-9). Earlier a point of order was sustained against a motion by Sen. Magnuson to strike this language (pp. 9507-8).
Rejected, by a vote of 26 to 60, a motion by Sen Dirksen to recommit the bill to the Appropriations Committee with instructions to report it back to the Senate in a total amount for all purposes and items which shall not exceed the sum of $868,595,000. Sen. Dirksen explained that his proposal would have cut the proposed appropriation by $48 million. pp. 9524-9

14. FORESTRY. Sen. Neuberger discussed Forest Service timber sales policies and inserted Secretary Freeman's reply to proposals by the National Lumber Manufacturers Association for modificattions in Forest Service timber sales policies and procedures, timber rates, appeals from adverse decisions of the Forest Service, and the present timber sales contract form. pp. 9456-9

15. FOREIGN AID. Both Houses received from the President the final annual report on the operations of the mutual security program for the period ending June 30, 1961 (H. Doc. 432). pp. 9401, 9453

16. FARM PROGRAM. Sen. Morse inserted an article by Dr. Cochrane in the USDA Employee News Bulletin presenting in "capsule form, the philosophy of the Kennedy farm program." p. 9473

Sen. Morse inserted a farmer's letter urging him to support the Administration's farm legislation and stating that "this legislation will do more to solve the problem and is the most effective method yet proposed for that purpose." p. 9473

Sen. Lausche inserted a farmer's letter criticizing the Administration's farm program and stating that payments he received for taking land out of production were more than the land originally cost. p. 9482

17. SOIL CONSERVATION. Sen. Morse inserted a National Association of Soil Conservation Districts resolution commending SCS Administrator Williams for his administration of the soil and water conservation programs. pp. 9473-4

18. RECLAMATION. Sen. Proxmire spoke in opposition to the proposed Glen Elder dam and irrigation project in Kan., and inserted several letters supporting his position. pp. 9460-2

19. EDUCATION. Sen. Morse inserted Sen. Benton's speech before the United Parents Association on current problems in educational research. pp. 9476-8

20. DEFENSE DEPARTMENT APPROPRIATION BILL, 1963. This bill, H. R. 11289, was made the unfinished business. p. 9533

21. SOLAR ENERGY. Sen. Humphrey urged creation of an Office of Solar Energy within the Department of the Interior. p. 9533

22. DRUGS; RESEARCH. Sen. Kefauver inserted an analysis of amendments being considered by the Judiciary Committee to S. 1552, to amend the antitrust laws with respect to the manufacture and distribution of drugs. pp. 9533-5

ITEMS IN APPENDIX

23. TRANSPORTATION. Extension of remarks of Rep. Younger inserting an address urging enactment of legislation to aid transportation problems. pp. A4288-90

24. RECREATION; LANDS. Extension of remarks of Sen. Williams, N. J., stressing the importance of keeping publicly owned land from the "blight of unplanned urban sprawl." p. A4290

25. LEGISLATIVE PROGRAM. Extension of remarks of Sen. Wiley discussing the progress of major legislation in Congress and stating that "...the outlook is not only for longer than usual, but also an extraordinarily busy session of Congress." p. A4294

26. FARM PROGRAM. Extension of remarks of Rep. Cunningham inserting a statement made by Dr. Ralph following his appearance before the House Government Operations Committee regarding his relationship with Billie Sol Estes. pp. A4295-6

TRADE EXPANSION ACT OF 1962

REPORT

OF THE

COMMITTEE ON WAYS AND MEANS

HOUSE OF REPRESENTATIVES

TO ACCOMPANY

H.R. 11970

A BILL TO PROMOTE THE GENERAL WELFARE, FOREIGN POLICY, AND SECURITY OF THE UNITED STATES THROUGH INTERNATIONAL TRADE AGREEMENTS AND THROUGH ADJUSTMENT ASSISTANCE TO DOMESTIC INDUSTRY, AGRICULTURE, AND LABOR, AND FOR OTHER PURPOSES



JUNE 12, 1962.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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87TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
2d Session } { No. 1818

TRADE EXPANSION ACT OF 1962

JUNE 12, 1962.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. MILLS, from the Committee on Ways and Means, submitted the following

REPORT

[To accompany H.R. 11970]

The Committee on Ways and Means, to whom was referred the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

The amendments are as follows:

Page 9, line 16, strike out "State" and insert: "State,".

Page 45, line 8, strike out "(13)" and insert: "(3)".

Page 68, line 1, strike out "Senate)" and insert: "Senate),".

Page 68, lines 1 and 2, strike out "a two-thirds vote" and insert: "the affirmative vote of a majority of the authorized membership".

Page 72, strike out line 14 and all that follows through line 8 on page 77.

I. PURPOSES

The purposes of H.R. 11970 are:

1. To extend the authority of the President to enter into foreign trade agreements from July 1, 1962, through June 30, 1967;

2. To authorize the President to proclaim, subject to certain conditions and limitations, such modification or continuance of any existing duty or other import restriction, such continuance of existing duty-free or excise treatment, or such additional import restrictions as he determines to be required or appropriate to carry out any such trade agreement; and

3. To authorize, in appropriate circumstances, adjustment assistance to industries, firms, and workers who may be seriously injured, or threatened with serious injury, by increased imports resulting from trade agreement concessions.

II. General Statement

H.R. 11970 represents many months of effort by your committee to bring to the House a trade agreements proposal which meets the needs of the times and which will serve the interests of United States industry, agriculture, and labor.

Your committee devoted 1 month to public hearings and received testimony from over 400 witnesses representing all segments of the United States economy. In addition, hundreds of written communications were received from interested persons from all parts of the country. This extensive information was helpful to the committee in its task of formulating the policies reflected in H.R. 11970.

In addition to the public hearing your committee met in executive sessions for more than 6 weeks and deliberated at length on the administration's proposals, which were embodied in H.R. 9900, 87th Congress. In the opinion of your committee, H.R. 11970 will satisfy the exigencies which require its passage.

III. Principal Features of the Bill

[A general discussion of the bill and a detailed technical explanation of the bill follow later in this report.]

A. AUTHORITY TO ENTER INTO TRADE AGREEMENTS (SEC. 201(a))

The President is authorized to enter into foreign trade agreements from July 1, 1962, through June 30, 1967.

B. AUTHORITY TO MODIFY IMPORT RESTRICTIONS

1. Basic authority (sec. 201 (b))

The President is authorized to reduce duties by 50 percent of the July 1, 1962, level and to increase duties to 50 percent over the July 1, 1934, level. This is the basic authority and is not supplanted by other authorities discussed below. He can also impose additional import restrictions (e.g., quotas).

2. EEC authority (secs. 211 and 212)

The President is authorized to reduce by more than 50 percent duties on articles within categories when he has determined that the United States and the countries composing the European Economic Community (EEC—popularly referred to as the "Common Market") together accounted for 80 percent or more of the free world trade in such categories of articles in a representative period. The President is to select an international statistical classification system which the Tariff Commission will translate into United States tariff terms. Section 211 authority cannot be used in the case of an article referred to in the agricultural publication named in the following paragraph.

The President is authorized, in an agreement with the EEC, to reduce by more than 50 percent duties on articles referred to in Agricultural Handbook No. 143, United States Department of Agriculture, as issued in September 1959, whenever the President determines that such an agreement will tend to assure the maintenance or expansion of United States exports of like articles.

3. Tropical commodity authority (sec. 213)

The President is authorized to reduce by more than 50 percent duties on tropical agricultural or forestry commodities whenever he determines that like commodities are not produced in significant quantities in the United States. This authority is also conditioned on a Presidential determination that the EEC has made a commitment with respect to its duties or other import restrictions which will tend to assure access for such a tropical agricultural or forestry commodity to its markets comparable to the access which such commodity would have to the United States markets.

4. Low rate articles authority (sec. 202)

The President may reduce duties by more than 50 percent where the rate was 5 percent ad valorem or less on July 1, 1962.

5. Limitations on use of authority

(*a*) *Reservation of articles from negotiations (sec. 225).*—In addition to articles covered by outstanding proclamations under the national security or escape-clause provisions of existing law, or the bill, the President would be required, in certain circumstances, to reserve from negotiations any article with respect to which the Tariff Commission found that imports of such article were seriously injuring or threatening such injury to the domestic industry concerned. These articles would be reserved for a 4-year period which begins on the date of enactment of this bill where, within that time, the President includes any such articles on a proposed negotiating list and the Tariff Commission finds and advises him, upon application of the interested industry, that the economic conditions in such industry have not substantially improved since the date of the last Tariff Commission escape-clause investigation.

(*b*) *National security provisions (sec. 232).*—The bill retains present provisions governing the authority of the President to take action to adjust the level of imports when he finds they threaten to impair the national security.

(*c*) *Staging requirements (sec. 253).*—The bill requires, in general, that tariff reductions would be made in no less than five annual stages, except in the case of the exercise of the tropical commodity authority.

(*d*) *Communist furs.*—The bill continues in force the present embargo on certain furs and skins which are the product of the U.S.S.R. or China (sec. 257(e)(1)).

C. PREAGREEMENT PROCEDURES AND SAFEGUARDS

1. Tariff Commission procedures (sec. 221)

The bill requires the Tariff Commission to advise the President as to the economic effect of any proposed trade agreement action with respect to any article. The President is required to furnish the Tariff Commission with a list of articles which he contemplates negotiating upon, and the Commission is required, within 6 months thereafter, to give him this advice. Hearings must be held by the Tariff Commission and all interested persons must be given opportunity to present their views.

2. Other hearings (sec. 223)

The President is required to afford interested persons an opportunity to present their views on matters pertinent to a trade agreement negotiation to an agency or interagency committee which he designates. Such committee is required to hold public hearings. These hearings would mainly center about the composition of the United States negotiating list and the nature of concessions which the United States should seek to obtain from foreign countries with whom the agreement is proposed to be negotiated.

D. GENERAL PROVISIONS RELATING TO TRADE AGREEMENTS

1. Special Representative (sec. 241)

The President is to appoint a Special Representative for Trade Negotiations who would be the chief representative of the United States at any negotiations conducted under the bill. He would have the rank of ambassador extraordinary and plenipotentiary, and be an ex-officio member of the organization referred to in the next section.

2. Interagency trade organization (sec. 242)

The President is required to establish a Cabinet-level interagency trade organization. This organization would advise the President on trade agreement matters, including tariff adjustment for seriously injured industries and foreign import restrictions referred to 5(b), below.

3. Congressional delegates (sec. 243)

Two Members of the House of Representatives and two Members of the Senate are to be accredited to United States trade agreement delegations. These congressional delegates would observe trade agreement negotiations in which the United States is participating.

4. Reports to Congress (secs. 226 and 402)

The President is required to transmit to each House of Congress a copy of each trade agreement entered into under this new authority, together with a statement of his reasons for entering into such agreement.

The President and the Tariff Commission are also required to submit annual reports to the Congress on programs under the bill.

5. Most-favored-nation principle (sec. 251)

The bill provides that in general import restrictions proclaimed under the bill will be extended to products of all countries. The principal exceptions are—

(*a*) *Communist products (sec. 231).*—The President is to take action as soon as practicable to prevent the application of trade agreement benefits to products of Communist countries or areas. The scope of the definition "Communist country" has been broadened with the intended effect of requiring denial of trade agreement benefits to products of Cuba, Poland, and Yugoslavia.

(*b*) *Foreign import restrictions (sec. 252).*—The bill requires the President to take all appropriate and feasible steps in his power to eliminate unjustifiable foreign import restrictions which impair the value of tariff commitments made to the United States, oppress the commerce of the United States, or prevent the expansion of trade.

He may not, however, give concessions on U.S. duties in order to accomplish this end.

Further, the President is required, to the extent that such action is consistent with the purposes stated in the bill, to prevent the application of trade agreement benefits to products of countries which maintain unwarranted nontariff trade restrictions against the United States or which engage in discriminatory acts or policies which unjustifiably restrict United States commerce.

E. POST-AGREEMENT SAFEGUARDS—ADJUSTMENT ASSISTANCE

1. Petitions for assistance (sec. 301)

Any firm, group of workers, or industry seeking tariff adjustment or other adjustment assistance may petition the Tariff Commission.

2. Tariff Commission investigations (sec. 221)

Upon receipt of such petition, the Tariff Commission is required to promptly make an investigation to determine whether as a result of concessions granted on an article in trade agreements, such article is being imported into the United States in such increased quantities as to cause or threaten serious injury to the domestic industry concerned. The Commission is authorized to take into account all economic factors which it considers relevant, including idling of productive facilities, inability to operate at a profit, and unemployment or underemployment.

The Commission must complete the industry investigation within 120 days (which period may be extended 30 additional days by the President). Reports of determinations as to the basic eligibility of a firm or a group of workers to apply for adjustment assistance of a nontariff nature must be made by the Tariff Commission within 60 days from the receipt of any petition.

The Commission must report the results of all investigations to the President. Should the Commission find, in an industry investigation, that there is serious injury, it is required to make a finding as to the amount of tariff adjustment which is necessary to prevent or remedy such injury.

No industry can be given tariff adjustment, nor may any firm or group of workers be given adjustment assistance, unless there is a finding that the conditions in such industry or firm or the unemployment conditions within the group of workers, have been caused by increased imports resulting from trade agreement concessions.

3. Presidential action (sec. 351)

After receiving a report from the Tariff Commission containing an affirmative finding with respect to an industry, the President is authorized to adjust the tariff to a level not in excess of 50 percent above the July 1, 1934, rate of duty, or to impose additional import restrictions (such as quotas) or to do both. The President, in addition, also may permit the workers and firms in such industry to be certified to be eligible to apply for adjustment assistance.

If the President takes tariff action, such action will be reviewable periodically by the President and may be reduced or terminated or extended by the President after he receives advice from the Tariff Commission. The bill provides that outstanding escape-clause proclamations, made pursuant to section 7 of the Trade Agreements Ex-

tension Act of 1951, would be treated in the same manner as tariff increases proclaimed under section 351.

4. Congressional action (sec. 351(a)(2))

In cases where the President does not take the action found by the Tariff Commission to be necessary to prevent or remedy serious injury, the bill requires Presidential implementation of a Tariff Commission finding in an escape-clause case upon the adoption by the Congress, by a majority of the authorized membership of each House, of a resolution approving the action found by the Commission to be necessary.

5. Assistance to firms (sec. 311 et seq.)

Any firm which is certified to be eligible for adjustment assistance may file an application with the Secretary of Commerce. Such assistance to firms is premised upon the certification of a sound economic adjustment proposal, reflecting the maximum self-help on the part of the firm and appropriate consideration of the interests of the firm's workers.

Adjustment assistance to firms may be given in the form of technical assistance, loans (or loan guarantees or deferred loan participation agreements), or permission to carry back a net operating loss (for Federal income tax purposes) for 5 years rather than the usual 3 years.

6. Assistance to workers (sec. 321 et seq.)

Adversely affected workers would be eligible to receive adjustment assistance, in the form of weekly allowances (payable during periods of unemployment or retraining), retraining, and, in certain cases, relocation allowances. Allowances will be payable only to workers who have been employed substantially over the previous 3 years, who have been attached for at least 6 months in the last year to a firm or firms or subdivisions thereof found to be affected by imports, and who have become unemployed because of lack of work due to the effect of increased imports on such a firm after the enactment of this bill.

The trade adjustment allowance will be 65 percent of the worker's average weekly wage, subject to a limitation of 65 percent of the national average manufacturing wage. These allowances are to be received for a duration of no more than 52 weeks, with two exceptions—one to assist in completing retraining and one for workers over 60. Allowances may not be paid to workers who refuse, without good cause, to take or complete retraining unless they accept or return to approved retraining.

IV. Reasons for the Bill

A. THE NEED FOR AN EXPANDED TRADE PROGRAM

1. The interests of commerce and industry

Important changes have taken place in the world economy since trade agreements legislation was last enacted by the Congress. The European Economic Community, still an inconclusive experiment in 1958, has achieved a high rate of growth and is moving substantially toward eventual free trade among member countries. At the same time our own gross national product has risen at a disappointingly low rate—less than 3 percent annually—and we have developed a deficit in our balance of payments.

(a) *Exports in the United States economy.*—The United States exports more goods to foreign markets than any other country—in 1961 nearly $20 billion. Excluding exports financed by our own support and aid programs, United States exports were approximately $17.5 billion in 1961. When measured against imports of $14.5 billion, this means a favorable balance of commercial trade of about $3 billion—the largest single credit factor to our balance of payments.

Yet our exports are relatively small in comparison to our gross national product. Endowed with an abundance of natural resources, a large domestic market, and an expanding population, the United States has not been as dependent on foreign commerce as less self-sufficient countries. Consequently, it is generally conceded we have not taken full advantage of our opportunities for expanding the domestic economy by increasing our sales in the international marketplace.

We can no longer afford to pass up these opportunities. The vigor and progress of our own economy cannot be assured if we confine our commercial efforts within our own borders. We must seek out new markets in the rapidly expanding economies of the rest of the free world.

For a variety of important products, this country's stake in its export trade is already high, as shown by the following table:

	Exports as a percentage of U.S. production, 1960
Locomotives	52
Carbon black	35
Construction and mining equipment	33
Oilfield machinery and equipment	32
Synthetic rubber	25
Lubricating oils	25

Source: "United States Commercial Exports and Imports as Related to Output, 1960 and 1959," U.S. Department of Commerce.

There is every reason to believe that this list can be expanded, with a resulting increase in our net earnings from foreign trade. Today, in our commerce with almost every country in the world, we export more than we import. If tariff reductions by foreign countries and by the United States raise exports and imports in proportion to their current volume, our export surplus will grow as well.

(b) *United States ability to compete.*—The margin of United States exports over imports indicates that on the whole United States products successfully compete in world markets. Even Japan, often alleged to be a low-cost producer, purchases more from us than we do from her. In 1961, the favorable margin in our trade with Japan was almost $700 million—over 20 percent of the United States overall trade surplus.

Your committee has paid close attention to discussions of the comparative costs of production here and abroad. It is clear that wage levels are lower than our own in many areas of the world. But it must be remembered that the higher efficiency of each worker in a mechanized economy such as our own tends to offset lower wage rates abroad. Significantly, many of the highest paying industries in the United States are our strongest exporters and have demonstrated their ability to compete successfully in the markets of countries with wage scales considerably lower than our own. This results because our unit cost of production—the only true competitive test—is lower.

Moreover, there are other factors in our competitive favor. Capital financing is more readily available in this country, and on easier terms, than is generally true elsewhere. Many raw materials are less expensive here than in most foreign markets. American mass production and marketing experience, and the high quality control and efficient servicing of our products also strengthen the hand of United States businessmen competing with foreign products.

(c) *Market opportunities in the European Economic Community.*—Our need to export and our ability to compete are worldwide in scope. But we have a special problem—and a special opportunity—in our trade with the EEC. Its six present members (Germany, France, Italy, Belgium, Netherlands, and Luxembourg) have a population approximating our own and a combined gross national product almost half ours. They are moving swiftly—unexpectedly swiftly—toward a general pooling of their economic resources and policies, including the elimination of all tariffs among themselves and the harmonization of their individual tariffs into a common external tariff wall.

In addition, negotiations are now taking place looking toward membership of the United Kingdom and several other countries of Western Europe in the EEC. The prospect is that before long there will be in operation behind the common tariff wall of the Common Market an integrated economy comprising up to 300 million people, with a productive capacity second only to that of the United States.

This will create an opportunity of wholly new dimensions for U.S. exports, which already amount to nearly $7 billion per year to Western Europe as a whole. In recent years the EEC has been growing at a rate substantially greater than our own. In the next 10 years its gross national product may well rise by 50 percent or more and its imports even faster—in many cases by as much as 100 percent over present levels. This will mean the same explosion of demand for consumer durables that we have known for the last generation—and there will be rising purchasing power to satisfy it.

To take advantage of this opportunity, however, we must first cope with the challenges of the EEC's new trade policy. As mentioned, it is moving with surprising vigor toward eliminating all internal tariffs on goods traded among its members and at the same time it is in the process of adopting a uniform common external tariff applicable to goods imported from nonmember countries, including the United States. Their internal tariffs have already been reduced by 40 percent for industrial commodities and 30 to 35 percent for a substantial number of agricultural products, and are expected to be eliminated altogether somewhat before the end of this decade.

This means that the height of the EEC's common external tariff will be of critical importance to United States exports. If its external duties remain high, many United States industrial and agricultural products will be handicapped by duties imposed on them while products of their competitors in the EEC will be duty free. If, however, the common external tariff can be brought down so as to narrow or eliminate the competitive disadvantage which internal tariff eliminations will bring, we stand to share in the trading benefits promised by the economic growth of the EEC.

To bargain down the EEC's external tariff barriers so as to put American producers on an equal footing in terms of tariffs, we must agree to reductions in our own tariff barriers, on a mutually beneficial

businesslike basis. To accomplish this, the President needs the bargaining authority contained in H.R. 11970.

2. The interests of labor

American workers have benefited greatly from the trade agreements program during the 28 years of its operation. In promoting freer trade this program has contributed significantly to the creation of more and better jobs for our workers.

The importance of foreign trade to the American worker is established by a recent study published by the Bureau of Labor Statistics.[1] This study shows that exports of merchandise in 1960 supported the equivalent of 3.1 million jobs for American workers in that year. Most of these jobs were in nonfarm industries, with a total of 1.3 million in manufacturing—principally chemicals, primary metals, machinery of all types, and transportation equipment. All 50 States participate in export employment, directly and indirectly. This includes, of course, the agricultural States of the South and Central areas of the country, as well as the industrial East and Far West.

Another study of the Bureau of Labor Statistics [2] indicates that in 1960, an estimated 941,000 workers were supported by activities connected with imports. This estimate includes employment in transporting and distributing imports to factories or to wholesalers and in processing the imported raw materials and semimanufactures.

An evaluation was also made by the Bureau of Labor Statistics [2] of employment which would be required to produce in the United States the equivalent of those imports which were classified as "competitive" with United States output. This resulted in an estimated 1 million jobs, including the direct as well as the indirect employment associated with the domestic production of the imports in question. The Bureau of Labor Statistics report emphasized that the calculated figure did not necessarily represent jobs "lost" by American workers as a result of imports. Many of the million jobs have never existed in this country since the products have traditionally been imported and have no true domestic counterpart. The report also made clear that it does not indicate the amount of additional employment that might be created if the products were made in the United States. If such imports were to be eliminated, there would be a reduction in United States exports, thus adversely affecting export job opportunities as well as the distribution of employment. Moreover, jobs related to production in lieu of these imports would generally be lower in terms of skills required and hence in income production than jobs associated with our export industries.

Important as international trade has been to the American worker its importance is now greater than ever. The attainment of our goal of full employment will depend to a significant extent on the response we make to the new patterns of international trade that are emerging—patterns which will test our ability to maintain and expand our access to the growing foreign markets.

In the judgment of your committee, the best way to utilize international trade to improve employment opportunities is to expand that trade, not to restrict it. A significant expansion of trade will,

[1] "Domestic Employment Attributable to U.S. Exports, 1960" (Bureau of Labor Statistics, U.S. Department of Labor), in "Hearings on Trade Expansion, 1962," Committee on Ways and Means, pt. 2, p. 685 ff.

[2] "Employment in Relation to U.S. Imports, 1960" (Bureau of Labor Statistics, U.S. Department of Labor) in "Hearings on Trade Expansion, 1962," Committee on Ways and Means, pt. 6, p. 3888 ff.

of course, involve an increase in imports which will mean some loss of jobs. However, that loss is expected to be only a fraction of the resulting employment gain expected from exports. The Department of Labor has estimated that the number of workers displaced during the first 5 years of the expanded trade program would be, on the average, 18,000 per year, while the anticipated increase of exports of several billion dollars would generate several hundred thousand jobs. (Based on the Department's 1960 economic data, it is estimated that at least 150,000 jobs are created for each $1 billion worth of exports.)

Great as the employment benefit is expected to be from expanded trade, our interests as a nation and those of the American worker require attention to the situation of those workers who will be displaced—even though their number may be small compared with the labor force as a whole. Their displacement will be the price of the national gain from expanded trade and in those cases where it would be inappropriate to assist these workers and their employers by increasing tariffs or otherwise restricting imports, they should be helped to adjust to the new international competition—to become able to enjoy its benefits themselves.

3. The interests of agriculture

Export markets are of great importance to American farmers. Production from 1 out of every 6 acres harvested goes into export channels. American farmers export about 15 percent of their production, while the nonagricultural sectors of our nation's economy export only about 8 percent. Farm product exports in fiscal year 1961 amounted to $5 billion out of total farm marketings of $34 billion.

For producers of several important crops, exports are of vital importance. Rice producers depend upon export markets for well over one-half of their crop. Wheat farmers depend upon exports for half of their production. For cotton, soybeans, and tallow, exports provide about 40 percent of the markets, and for tobacco, exports account for about 30 percent of the crop.

With greater access to foreign markets, and the countries of the EEC in particular, United States agricultural exports can be expected to grow. During the past 5 years, our sales of farm products to the present EEC countries have increased 29 percent. In fiscal year 1961, our agricultural exports to the EEC came to $1.1 billion, or about one-third of our total dollar exports of farm commodities.

In future trading with the EEC, there are opportunities and problems. The potential for doing business is increasing markedly for an important number of our farm products. For others, however, the future is open to question because of the nature of the EEC common agricultural policy. On some farm commodities this policy strongly favors internal suppliers over outside suppliers. We must have the means to influence the development of such policies so that United States agricultural exports will not be displaced by less efficient production in the EEC induced by excessive protection against imports.

Also significant for American agriculture are the prospects for export to the EEC of other dollar-earning agricultural products such as fruits and vegetables, which will be subject in the EEC tariff system to fixed import duties. At present, for example, the EEC is a market for one-third of United States fruit exports. Because the European Community is a customs union, producers within the common barrier will

have a competitive advantage over the United States farmer. Thus, even though the EEC's economic expansion should greatly increase the demand of its peoples for high quality fruits and vegetables which the United States can supply, high customs barriers could divert much of this market to our European competitors.

The EEC, however, is not the only reason for agriculture's interest in this bill. The power to obtain export concessions deriving from the bill could be used to bargain concessions with all of our trading partners. There is ample evidence that a liberal trade policy helps American farmers to capitalize on their export market potential throughout much of the free world.

It would be unfortunate, in the view of your committee, if our tremendous natural advantages as a food exporter were sacrificed because the United States was not equipped to bargain effective trade agreements.

4. The trade program and the international position of the United States

The international position of the United States today differs profoundly from that in prior decades. This change results primarily from three developments: The creation of the EEC, the emergence of newly independent, less-developed countries, and the trade offensive of the Sino-Soviet bloc. The provisions of H.R. 11970 are intended to reflect the changed position of the United States.

(a) *The United States and the European Economic Community.*—In the 5 years since the establishment of the European Economic Community, its success has become assured. Supported by the United States from the outset as a political necessity to bring free countries of Europe into a close and permanent association presenting a strong, united front to the Soviet threat, the EEC has proven that its economic benefits to the free world can be fully as important as its political potential.

As the EEC develops, it will be more and more capable of speaking with a single voice as its political identity emerges. That voice, if linked with our own, will be sufficient to determine such fundamental issues as the volume of foreign aid to be directed to the underdeveloped world; the basis for providing access for developing countries to markets in the industrialized countries; the basis for achieving monetary stability among the world's major currencies; and the approach to dealing with the problem of the growing economic strength of the Sino-Soviet bloc.

To accomplish these objectives, there must be increasingly close coordination of the policies of the two great economic entities of the free world. Your committee's bill is intended to be an important tool in assuring such coordination.

(b) *The United States and other free world countries.*—United States relationships with the other nations of the free world are being altered not only by the development of the EEC but by other forces as well, and the bill also affords authority to the President for expanded tariff negotiations with these countries. These nations, too, have a great opportunity for increasing their trade with the EEC, but they likewise would be substantially harmed if the trade effects of the EEC were diversionary. These countries therefore share with the United States a common interest in bargaining for the reduction of the EEC tariff wall.

It is evident that the less developed countries as a group are the most vulnerable to Communist pressures. Greater stability and growth in their export earnings through expanded trade will reduce this vulnerability. Aid programs cannot accomplish the job by themselves, and it makes little sense for industrial nations to spend considerable sums on aid while maintaining trade policies and barriers which would prevent the attainment of self-sustaining economic growth.

Your committee's bill provides the means for moving ahead towards this objective. It emphasizes the continuation of the nondiscriminatory import policy of the United States. It provides for the possible elimination of duties on certain noncompetitive tropical products in concert with the EEC. And it affords the opportunity for bringing these countries more closely into mutually advantageous trade relationships with the United States and other industrialized countries.

(c) *The problem of Communist-bloc trade.*—One of the significant developments in the last 5 years has been the emergence of the Sino-Soviet bloc as a world trader of growing importance. Bloc trade today—while still a small fraction of that of Europe or the United States—runs at several billions of dollars a year. Its concentration in a limited number of nations adds to its political significance.

The determination of the bloc to use economic weapons as a means of penetrating and overcoming the free world is admitted. Its trade lures are used to attract less developed countries at the outset with a view to making them more and more dependent on bloc trade for their economic survival.

Your committee's bill has improved the statutory provisions relating directly to bloc trade and in addition has created the basis for a better alinement of policy in the free world for providing alternative markets to countries which are targets for Communist-block economic pressure.

B. THE NEED FOR SAFEGUARDS

In view of the expanded tariff negotiations which your committee believes now to be necessary and authority for which has been provided in the bill, your committee has directed a special effort toward refining and expanding safeguards to protect the interest of United States firms, workers, and industries, including agricultural interests. These safeguards have traditionally fallen into two categories: those applicable before trade agreements are concluded, which attempt to insure that the nature and extent of contemplated concessions will not seriously injure domestic firms and workers; and those available after tariff concessions are put into effect, which seek to remedy serious injury (or threat thereof) that may nevertheless result from such concessions. H.R. 11970 incorporates, in the judgment of your committee, substantial improvements and strengthening of both of these forms of safeguards.

1. Preagreement safeguards

Before any trade agreement is concluded, it is important that the President and his negotiators be given the benefit of a careful and authoritative study of the probable domestic economic effects of proposed concessions. Under the bill, this study would be made by the Tariff Commission and would result in a thorough report to the President on all relevant aspects of such economic repercussions.

The President must also seek the advice of Federal agencies and other sources which he considers appropriate.

It is also required that the President make public his intention to engage in negotiations on any article, and that any person interested in such article be given an opportunity in public hearings to present his views and any evidence on the effect of tariff reductions on that article. On the basis of information submitted to him from various sources, those articles which the President feels should be withheld from negotiations would be placed on a reserve list, from which United States negotiators could not draw in offering trade concessions. Any article for which escape-clause or national security action is in force must also be reserved from negotiations, along with certain other articles under specified conditions.

2. Postagreement safeguards

(*a*) *Staging.*—The possibility of larger tariff reductions under your committee's bill than in the past makes it even more advisable that such reductions be put into effect gradually, so as to give United States firms and workers opportunity to adjust to their effects. Accordingly, the bill requires that the tariff reduction authority must be spread over five or more annual installments or the equivalent, with the single exception of reductions on tropical agricultural or forestry commodities when like products are not produced in the United States in significant quantity.

(*b*) *Tariff adjustment and other adjustment assistance.*—In the past, the United States has provided protection for American firms and workers against injurious competition from foreign imports in the form of tariffs or quotas with the effect of restricting foreign competition. Under the bill, tariff adjustment through the escape-clause procedure would be retained as one of the President's alternative courses of action where there has been serious injury to the industry as a whole as a result of increased imports from trade agreement concessions.

However, your committee has concluded that tariff adjustment alone may be inappropriate to protect United States firms and workers. Such assistance cannot be specifically adapted to the individual requirements of those in an industry affected by imports. Under current law no relief whatsoever is available to firms and workers injured by imports unless their injury is shared by a large part of their industry. Furthermore the granting of tariff adjustment in particular cases necessarily has an impact on our total foreign economic policy. It necessitates the granting of tariff compensation to our trading partners on other products in order to counterbalance whatever United States tariffs are raised under the escape clause.

For these reasons your committee has included in this bill a program of adjustment assistance for firms and workers who are injured by import competition. Under this program, firms adversely affected by trade agreement concessions would be eligible for Federal loans, technical assistance, and certain tax assistance. Unemployed workers would be eligible for assistance, including trade readjustment allowances and retraining in new skills.

The furnishing of this assistance is fully consistent with our traditional practice of protecting American commerce and labor from serious injury resulting from imports. It will enable those firms and

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workers injured by increased imports to receive prompt help that is suited to their individual needs. It will also encourage a constructive adjustment to the competitive situation.

V. General Description of the Bill

A. FORM OF THE BILL

The bill can be generally divided into three major subjects: (1) the authority to enter into trade agreements, (2) the authority to proclaim changes in the tariff treatment of articles in order to carry out any such trade agreements, and (3) the authority to assist those industries, firms, and workers who may be seriously injured by reason of increased imports due to trade agreement concessions. These major subjects may in turn be subdivided in terms of limitations, conditions, and safeguards, which are necessary concomitants of this grant of authority.

B. AUTHORITY TO ENTER INTO TRADE AGREEMENTS

The President would be authorized by H.R. 11970 to enter into trade agreements with foreign countries or instrumentalities thereof during the period from July 1, 1962, through June 30, 1967.

Thus, whenever the President determines that any existing duties or other import restrictions of any foreign country or the United States are unduly burdening and restricting our foreign trade, and that any of the purposes stated in the bill will be promoted thereby, he is authorized to enter into a trade agreement for the purpose of changing such restrictions.

Your committee considers it important that a 5-year extension be granted by the Congress in order to give adequate time to prepare for, conduct, and complete major multilateral tariff negotiations (sec. 201(a)(1)).

C. AUTHORITY TO MODIFY IMPORT RESTRICTIONS

The President is authorized to make changes in the import restrictions of the United States which are required or appropriate to carry out any trade agreement entered into by him under this bill. This authority is circumscribed and conditioned by certain required determinations the President must make and procedural steps he must follow (sec. 201(a)(2)).

1. Basic authority

The basic authority in the bill permits the President to—

(*a*) Decrease by 50 percent any rate of duty existing on July 1, 1962, or

(*b*) Increase by 50 percent any rate of duty existing on July 1, 1934.

The basic grant of authority also permits the modification of existing import restrictions other than duties, while at the same time authorizing the imposition of additional import restrictions (e.g., quotas).

2. European Economic Community authority

In addition to the basic authority to decrease duties by 50 percent (which may be used in a trade agreement with any foreign country or instrumentality), the bill grants a specific authority which waives this

50-percent limitation and which can be used only in trade agreements to which the European Economic Community is a party. This authority is granted primarily in recognition of the fact that internal tariffs among the member countries of the EEC are scheduled to be eliminated. In this circumstance, if the President is not authorized by reciprocal negotiations to bargain down our tariffs substantially, or eliminate them, in return for concessions by the EEC, United States exporters of both agricultural and industrial products to the EEC will face the competitive disadvantage of tariffs which their competitors within the EEC will not have to pay.

Nevertheless, your committee has limited the authority of the President to exceed the basic 50-percent limitation in this instance. The President would only be able to exceed the basic limitation in the case of articles included in categories of goods in which the United States and the EEC together supply 80 percent or more of the free world export value of such goods. It is expected that, to a very large extent, the categories in question will be those in which the United States exports more than it imports. In addition, the President could, if he so determined, negotiate with the EEC on a common list of articles of major interest to both American and European exporters, as a result of which industries on each side would be assured that their competitors abroad would be treated in the same way and that new export opportunities were being opened for them at the same time that their own domestic markets would become subject to new foreign competition.

To determine the categories to which this authority may be applied, the President will select a system of comprehensive classification of articles by category, and thereafter the Tariff Commission is required to group the tariff classifications of the United States under the appropriate categories specified in such system. Your committee provided that when the schedule of category content prepared by the Tariff Commission is first used, it may not thereafter be further changed. Thus, the exact relationship of a given United States tariff provision to a given category of the selected system would be made certain and definite.

This specific authority may not be used in the case of articles listed in the agricultural handbook referred to in the next paragraph (though the trade in any such article would be included in applying the 80-percent formula which underlies this grant of authority) (sec. 211).

A further specific authority to exceed the basic 50-percent limitation on reduction in duties is given in the case of articles referred to in Agricultural Handbook No. 143, United States Department of Agriculture, as issued in September 1959. However, there are prescribed conditions and limitations on the use of this authority which it is intended will afford a meaningful safeguard to our agricultural interests.

This authority can only be used if the President determines that the agreement in question will tend to assure the maintenance or expansion of United States exports of the like article. It is intended that this test be applied with exactness. For example, if the handbook refers to "cherries," and if the United States cherry exports consist only of sweet cherries, the President would not use this authority on all cherries, but only on sweet cherries, subject, of course, to the other conditions of the section which must be met (sec. 212).

3. Tropical commodity authority

The bill provides an authority the primary beneficiaries of which will be less developed countries. This authority permits the President to exceed the basic 50-percent limitation on reduction in duties on any article, but only where he determines that—

(*a*) such article is a tropical agricultural or forestry commodity (i.e., one principally produced between the 20 degree latitude lines);

(*b*) the like article is not produced in significant quantities in the United States; and

(*c*) the EEC has made a commitment with respect to its tariff or other import restrictions which is likely to assure access to the markets of the EEC comparable to that which such article will have to the United States markets. Further, such access must be given by the EEC substantially on a nondiscriminatory basis.

Before the President may utilize this authority, the Tariff Commission, upon request of the President, must make findings as to whether or not an article is a tropical agricultural or forestry commodity, and also whether or not the like article is produced in significant quantities in the United States.

This authority embraces unprocessed commodities and those commodities which have undergone only such minimum processing as is customarily required to prepare them for marketing in substantial volume in international trade (sec. 213).

4. Low-rate articles authority

The bill grants the President the authority to exceed the basic 50-percent limitation in the case of articles subject to duties of not more than 5-percent ad valorem (or the equivalent).

It is not your committee's intention, in recommending the grant of this authority, to minimize the significance of rates of duty at this level. However, your committee is aware that in some cases these low rates could be further reduced or eliminated in exchange for concessions to the United States. It is expected that negotiations with the use of this authority will be conducted with the same degree of care which will apply to negotiations conducted with the use of other authority (sec. 202).

5. Limitations on use of authority

In addition to those limitations contained within the provisions granting tariff authority to the President, there are other general limitations on such authority. These are as follows:

(*a*) *Reservation of articles from negotiations.*—The bill provides that certain articles shall be reserved from negotiations for the reduction of any duty or other import restriction or the elimination of any duty. Articles covered by escape-clause proclamations under existing law or under the bill are to be reserved so long as proclamations with respect to such articles are continued. Similarly, articles covered by proclamations taken under the national security provisions of existing law or similar provisions of this bill are to be reserved so long as such proclamations continue in force.

There may also be reserved those articles (not covered by escape-clause proclamation) which the Tariff Commission found in escape-clause investigations were being imported in such increased quantities

as to cause or threaten serious injury to the domestic industry concerned. These articles will be reserved for the 4-year period commencing with the date of the enactment of the bill if they are listed for trade agreement consideration and the Tariff Commission finds (on application by the interested industry) that economic conditions in the industry underlying the basic escape-clause finding have not substantially improved (sec. 225).

(*b*) *National security provisions.*—The bill provides for continuing the policy of existing law that no action is to be taken reducing or eliminating tariffs when the President determines that such action would threaten to impair the national security. In addition, the bill continues the existing provision under which the President shall take action to adjust the imports of a given article (or its derivatives) when he finds such imports threaten to impair the national security (sec. 232).

(*c*) *Staging requirements.*—The bill provides, in general, for the gradual effectuation of tariff reductions in not less than five annual stages. Only articles falling under the special authority for tropical agricultural and forestry commodities are excepted from the staging provision. In order to insure that the rate of duty on any article subject to reduction is not simultaneously reduced under two trade agreements, the bill provides that no reduction under the second agreement shall take effect before the expiration of 1 year after the effective date of the last reduction made under the first agreement (sec. 253).

(*d*) *Fur embargo.*—The bill continues in effect section 11 of the Trade Agreements Extension Act of 1951. This provision prohibits the importation of certain furs and fur skins which are the product of the Soviet Union or Communist China. This embargo cannot be lifted in whole or in part by the authority granted by the bill (sec. 257(e)(1)).

D. PREAGREEMENT PROCEDURES AND SAFEGUARDS

Certain preagreement procedures (including public hearings and safeguards) are required by the bill. Those discussed in (1) and (2) below must be satisfied before the President can make a binding offer of a United States concession as to any article in a trade agreement.

1. Tariff Commission procedures

The bill provides that in connection with any proposed trade agreement, the President must publish a list of the articles on which he may consider offering United States concessions. The list must make clear which type of authority he intends to use with respect to each listed article.

After receipt of this list from the President, the Tariff Commission is required to conduct public hearings at which interested persons would be given an opportunity to appear, present evidence, and be heard with respect to any article on the list. The hearings would be for the purpose of developing information which would be of assistance to the Commission in carrying out its assigned task of advising the President of its judgment as to the probable economic effect of modifications of duties or other import restrictions on United States industries producing like or directly competitive articles.

Within 6 months of the receipt of such list, the Commission would so advise the President. The Commission would take into account, in making the required judgment, the probable effect of increased imports on such factors as employment, productive facilities, and profitability in the industry concerned, as well as other relevant factors. It is expected that the advice of the Commission will be of material assistance to the President (sec. 221).

2. Other hearings

The bill also provides for hearings to be held by an agency or interagency committee designated by the President. While interested persons appearing at such hearings would be permitted to discuss any aspect of a proposed agreement, it is expected that these hearings would focus on the subject of concessions which the United States should seek from the other parties to the proposed trade agreement.

The committee holding these hearings is required to furnish the President with a summary of such hearings (sec. 223).

3. Departmental advice

The President is required to seek information and advice with respect to any proposed trade agreement from the Departments of Agriculture, Commerce, Defense, Interior, Labor, State, and Treasury. In addition, the President may also seek information and advice from other appropriate sources (sec. 222).

E. GENERAL PROVISIONS RELATING TO TRADE AGREEMENTS

1. Special representative

The bill requires the President to appoint, from time to time, a Special Representative for Trade Negotiations who will be subject to Senate confirmation, and who will be the chief negotiator for the United States during any trade agreement negotiation conducted under title II of the bill.

The bill provides that this representative will seek information and advice in the performance of his negotiating tasks from representatives of industry, agriculture, and labor. He is also expected to seek information and advice from such Government agencies as he deems appropriate.

The bill provides that such representative shall be a member ex officio of the interagency trade organization referred to below and shall have ambassadorial rank. Your committee considers that the importance of this subject warrants this rank in order that the special representative can most effectively deal with high foreign officials in the course of performing his functions (sec. 241).

2. Interagency trade organization

The bill provides for the establishment of an interagency trade organization (patterned after the existing Trade Policy Committee established under Executive Order 10741 of November 25, 1957). This organization, which will be at the Cabinet level, will make recommendations to the President on basic policy issues arising in the administration of the trade agreements program; make recommendations as to what action the President should take on tariff adjustment reports under section 301(e) from the Tariff Commission; advise the President of the results of hearings concerning unjustifiable foreign import restrictions and recommend appropriate action with

respect thereto; and perform such other functions with respect to the trade agreements program as the President may designate.

This organization will function under such procedures and through such committees as the President may deem necessary to enable the organization to carry out its assigned tasks effectively. One function of the organization will be to provide a forum where interested persons can present views concerning unjustifiable foreign import restrictions and discriminations which adversely affect U.S. commerce (sec. 242).

The committee received the following communication from the President concerning its decisions with respect to a special representative and the interagency trade organization:

MAY 17, 1962.

Hon. WILBUR D. MILLS,
Chairman, Ways and Means Committee,
House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: I have been informed that in the consideration by the Ways and Means Committee of the trade expansion bill of 1962, considerable attention has been focused upon the organizational arrangements for advising the President in carrying out his functions under the trade agreements program.

I understand that the committee has provided for a Special Representative of the President to assume principal responsibility for negotiating each trade agreement under the act, and that the committee bill will provide for an interagency mechanism to perform a number of advisory functions, now provided for under Executive Order 10741. I have no objection to these changes.

I should like to inform the committee that it is my intention to carry forward, in its general outlines, the present interdepartmental machinery for assisting the President in the administration of the trade agreements program, subject to such reorganization as may be dictated by experience and in the light of new responsibilities imposed by the bill. It is also my intention to retain the Secretary of Commerce as chairman of the Cabinet-level committee provided for in the committee bill.

In my judgment, the major trade negotiations under this act will require a high degree of leadership and coordination in the executive branch, reflecting the judgment both of those who conduct our foreign policy and of those whose responsibility it is to advance the interests of American business, labor, and agriculture. I believe it is proper for me as well to assure you and your colleagues of the immediate and powerful interest which the White House will maintain in these matters, in accordance with the provisions which you have proposed, particularly through the work of the Special Representative of the President.

* * * * * * *

Sincerely,

JOHN F. KENNEDY

3. Congressional delegates

The bill requires that two Members of the House and of the Senate be accredited to the United States delegation conducting trade agreement negotiations under the bill. These delegates from Congress would not participate in negotiations but would be able to sit as observers during negotiation conferences (sec. 243).

4. Reports to Congress

The bill provides that the President shall transmit promptly to the Congress a copy of each trade agreement entered into, together with a statement of his reasons for entering into the agreement (sec. 226).

The bill also requires a report from the President annually on the operation of the trade agreements program and the tariff adjustment and other adjustment provisions of the bill. The report is required to include pertinent information concerning operations under the bill. The Tariff Commission is also required to file a report (at least once a year) on the operations of the trade agreements program (sec. 402).

Your committee believes that these reporting provisions will be of assistance to the Members of Congress in evaluating the effectiveness of the several types of authority granted in the bill. The Committee on Ways and Means intends to study such reports carefully and keep fully informed as to the conduct of the trade agreements and adjustment assistance program.

5. Most-favored-nation principle

The bill provides that, with certain exceptions, duties and other import restrictions proclaimed under the bill or existing legislation will be extended to products of all countries. This policy is consistent with the purpose in the bill of strengthening economic relations with foreign countries through the development of open and nondiscriminatory trading in the free world (sec. 251).

The principal exceptions to this general rule are as follows:

(*a*) *Communist products.*—The President is required, as soon as practicable, to suspend, withdraw, or prevent the application of the reduction, elimination, or continuance of any existing duty or other import restriction, or the continuance of any existing duty-free or excise treatment, proclaimed under the bill to products, whether imported directly or indirectly, of any country or area dominated or controlled by Communism. All of the countries or areas whose products would be denied trade agreement benefits, except Cuba, Poland, and Yugoslavia, are presently being denied such benefits under section 5 of the Trade Agreements Extension Act of 1951. It is contemplated that the effect of this provision of the bill would be to add to the countries and areas covered by section 5 the three countries named above. The list of countries or areas denied trade agreement benefits under the bill would accordingly be as follows:

Albania.

Associated States of Indochina: Any part of Cambodia, Laos, or Vietnam which may be under Communist domination or control.

Bulgaria.

China, any part of which may be under Communist domination or control.

Cuba.

Czechoslovakia.

Estonia.

Germany (the Soviet zone and the Soviet sector of Berlin).

Hungary.

Korea, any part of which may be under Communist domination or control.

The Kurile Islands.

Latvia.
Lithuania.
Outer Mongolia.
Poland and areas under its provisional administration.
Rumania.
Southern Sakhalin Island.
Tanna Tuva (Tannu Tuva).
Tibet.
Union of Soviet Socialist Republics and areas in East Prussia under the provisional administration of the U.S.S.R.
Yugoslavia.

Your committee feels that trade agreement benefits should be denied to any country or area dominated or controlled by Communism. At such time as any such country or area is no longer so dominated or controlled, trade agreement benefits would, of course, be extended to products of such country or area.

The phrase "as soon as practicable" is intended to take into account the time required by the procedures for suspension, withdrawal, or termination of concessions or of a most-favored-nation commitment (sec. 231).

(*b*) *Foreign import restrictions.*—The bill directs the President to take all appropriate and feasible steps within his power to eliminate any unjustifiable foreign import restrictions which impair the value of tariff commitments made to the United States, oppress the commerce of the United States, or prevent the expansion of trade on a mutually advantageous basis. The President may not negotiate the reduction or elimination of any United States import restriction under the bill in order to obtain the relaxation or removal of any such unjustified restriction. Your committee feels that the United States should not make concessions in exchange for removal or reduction of such unwarranted restrictions.

As a further expression of your committee's concern about unjustifiable restrictions, provision is made which requires the President, to the extent such action is consistent with the purposes stated in the bill, to suspend, withdraw, or prevent the application of trade agreement benefits to products of any foreign country or instrumentality receiving such benefits when such country or instrumentality—

(i) maintains nontariff trade restrictions, including unlimited variable import fees, which substantially burden United States commerce in a manner inconsistent with trade agreements, or

(ii) engages in discriminatory or other acts (including tolerance of international cartels) or policies unjustifiably restricting United States commerce.

The President is also required, to the extent such action is consistent with the purposes stated in the bill, to refrain from proclaiming benefits of trade agreement concessions to carry out any trade agreement with a country or instrumentality maintaining such restrictions or engaging in such acts or policies.

Your committee does not believe that there can be effective use of the trade agreement process to lower trade barriers if unjustifiable restrictions of a tariff or nontariff nature are maintained or erected, or other actions are taken which are inconsistent with trade agreement commitments. When such barriers are placed in the way of trade, trade agreements cannot fully attain the objectives sought. Your

committee expects that every reasonable effort will be made to bring about the removal of such unjustifiable restrictions so that the objectives of the trade agreements program will be attained. Your committee also expects that as new obstructions to trade appear, every reasonable effort will be made to stop them (sec. 252).

F. POSTAGREEMENT SAFEGUARDS—ADJUSTMENT ASSISTANCE

The bill provides for adjustment assistance to industries, firms, and workers who may be affected by increased imports resulting from trade agreement concessions.

In the case of industries which are seriously injured, or threatened with serious injury, authority is given to adjust tariffs or to impose additional import restrictions (e.g., quotas), or both. Authority is also provided to give other assistance to the firms and workers of such industry. The form of assistance given may thus be tariff adjustment for the industry as a whole, adjustment assistance to firms, adjustment assistance to workers, or any one or more of such forms of assistance.

Adjustment assistance (other than tariff adjustment) may be given in the case of injury to particular firms or workers even though there is no injury to the industry as a whole.

1. Petitions for assistance

Any firm, group of workers, or industry, or their representatives, seeking tariff adjustment or other adjustment assistance, or both, may file a petition with the Tariff Commission. The word "firm" includes farms, mines, and fishing enterprises.

2. Tariff Commission investigations

The bill provides that the Tariff Commission shall, upon receipt of any such petition (whether filed by a firm, group of workers, or an industry) institute an investigation of the industry engaged in the production of the article like or directly competitive with the imported article concerned. An industry investigation will be conducted whether the petition seeks tariff adjustment or other adjustment assistance or both. If adjustment assistance, other than tariff adjustment, is specifically requested, however, the Tariff Commission will make a separate injury determination with respect to each petitioning firm or group of workers.

The bill requires that, in the case of individual firms or groups of workers petitioning for adjustment assistance, other than tariff adjustment, the Tariff Commission's report to the President is to be made in 60 days. In the case of industry investigations, such report must be made within 120 days (with a permissible 30-day extension).

It can be expected that there will be cases where a petition for adjustment assistance is received while an industry investigation is in progress or when such an investigation has been recently completed. To facilitate the Tariff Commission's discharge of its responsibilities within the time allotted, the Tariff Commission is authorized to limit the time within which petitions for firm or worker adjustment assistance may be filed while the industry investigation is underway, and no petition filed within 1 year after an industry investigation has been completed will have the effect of requiring a new investigation with respect to such industry.

All Tariff Commission investigations must include public hearings for which reasonable notice must be given and at which any interested person must be given an opportunity to present evidence and be heard.

In industry investigations, the Tariff Commission will determine whether, as a result of concessions granted under trade agreements, an article is being imported into the United States in such increased quantities as to cause, or threaten to cause, serious injury to the domestic industry producing an article which is like or directly competitive with the imported article. In investigations of particular firms, the test is substantially the same, but the inquiry is directed to the firm in question. In the case of workers, the Tariff Commission will determine whether increased imports due to trade agreement concessions cause, or threaten to cause, unemployment or underemployment of a significant number or proportion of the workers in the firm or in an appropriate subdivision of the firm producing articles like or directly competitive with the imported article.

In determining what constitutes serious injury, the Tariff Commission is to take into account all economic factors which it considers relevant, including idling of productive facilities, inability to operate at a profit, and unemployment or underemployment of workers.

In the case of an industry investigation, the Tariff Commission will inquire into the effect of the imports in question on the whole industry concerned and will base its determination on the results of such inquiry. In the case of investigations of individual firms, the Tariff Commission will inquire into the effect of the imports in question on the overall operations of the firm. In the case of investigations concerning workers, the Commission will inquire into the effect of the imports in question on employment in the workers' firm or in an appropriate subdivision thereof.

Your committee believes that it is important that adjustment assistance in all instances be given only where it has been concluded that the conditions requiring assistance were caused by increased imports resulting from tariff concessions made under trade agreements.

It is your committee's intention, for purposes of this bill, that in general, the industry, in the case of any industry investigation, will include those operations of those establishments in which the domestic article in question (i.e., the article which is "like," or "directly competitive with," the imported article, as the case may be) is produced. If the domestic article in question is produced in an establishment along with several other articles, the overall operations of the establishment would be included in the domestic industry. Where a corporate entity has several establishments (e.g., divisions or plants) in only one of which the domestic article in question is produced, the establishments in which the domestic article is not produced would, as a general rule, not be included in the industry. This would be particularly apt to be the case where the allied establishments produce articles which are wholly unrelated to the articles produced in the establishment in which the domestic article in question is produced, unless the equipment and skills devoted to production of the domestic article in question are freely interchangeable among establishments of the firm.

It should be recognized, however, that the determination of the extent to which establishments producing articles different from the domestic article in question may be separated from the establishments

under the same corporate roof that produce the domestic article in question will necessarily be affected by the accounting procedures that prevail in a given case. That is, the establishments not producing the domestic article in question would not be excluded from the domestic industry if it is impracticable to distinguish or separate their operations from the operations of their allied establishments in which the domestic article in question is produced.

Your committee has incorporated in the bill a provision which has the effect of permitting an extension of the scope of the term "directly competitive." Under this provision, an imported article may be considered "directly competitive with" a domestic article, or vice versa, if the one is at an earlier or later stage of processing than the other, or if one is a processed and the other an unprocessed form of the same article, and if the economic effect of importation of the imported article is comparable to the effect of importation of articles in the same stage of processing as the domestic article.

The term "earlier or later stage of processing" contemplates that the article remains substantially the same during such stages of processing, and is not wholly transformed into a different article. Thus, for example, zinc oxide would be zinc ore in a later stage of processing, since it can be processed directly from zinc ore. For the same reason, a raw cherry would be a glace cherry in an earlier stage of processing, and the same is true of a live lamb and dressed lamb meat (sec. 405 (4)).

Upon completion of any investigation under the provisions of the bill—whether based on an application for tariff adjustment or for other adjustment assistance—the Tariff Commission would report its findings to the President.

If the Commission should find serious injury to an industry, it is required to report to the President the tariff adjustment (i.e., the duty or other import restriction, or combination thereof) which it finds would be required to prevent or remedy the injury. The President would thus be given the benefit of expert advice on what level or amount of tariff adjustment might be employed to correct the injury in the event that he should determine that tariff adjustment is an appropriate form of adjustment assistance in the case at hand (sec. 301).

3. Presidential action

Whenever the Tariff Commission reports to the President a finding of serious injury or threat thereof to an industry, the President may take any of several courses of action:

(*a*) He may provide tariff adjustment on the imported product involved in the investigation;

(*b*) He may provide that the firms in the industry may request the Secretary of Commerce for certifications of eligibility to apply for adjustment assistance;

(*c*) He may provide that the workers in the industry may request the Secretary of Labor for certifications of eligibility to apply for adjustment assistance; or

(*d*) He may take any combination of such actions.

No order of priority among these various courses open to the President is intended to be established nor is there a requirement that the President must take some action. If the President fails, however, to take the particular tariff adjustment action found necessary by the

Tariff Commission to remedy the serious injury in question (even though he takes tariff adjustment action other than that so found by the Tariff Commission), then he would have to proclaim such action if each House of Congress, by the affirmative vote of a majority of the authorized membership thereof, adopts a concurrent resolution stating in effect that Congress approves the Tariff Commission's tariff adjustment finding.

It is important to note that under paragraphs (*b*) and (*c*) above, a firm or group of workers is not automatically eligible to apply for adjustment assistance. Upon request by a firm in the industry found to be seriously injured or threatened with such injury, the Secretary of Commerce must conclude whether the increased imports found by the Tariff Commission to have caused or threatened serious injury to the industry as a whole have also caused serious injury to the individual firm in question. Similarly, upon request by a group of workers in a firm in such industry, the Secretary of Labor must conclude whether the increased imports have caused or threatened unemployment or underemployment to a significant number or proportion of the workers of the firm or an appropriate subdivision thereof.

These additional tests are required (in the case of such firms and groups of workers) by the fact that when the Tariff Commission finds serious injury (or threat thereof) to an industry, it may not necessarily be the case that each individual firm in that industry has been so affected. (Conversely, if the Tariff Commission does not find serious injury to an industry, this does not, of course, rule out the possibility that an individual firm or group of workers in that industry might be experiencing serious injury or threat thereof and therefore might be eligible for adjustment assistance.)

The function given to the Secretaries of Commerce and Labor, in this instance, reflects the committee's intention that adjustment assistance is not to be extended to a firm or group of workers which has not satisfied the conditions of eligibility. Under this procedure, these firms and workers would not be required to return to the Tariff Commission for an injury determination, though it is anticipated that the Secretaries of Commerce and Labor would make full use of Tariff Commission information derived from its investigation of the firms' and workers' industry.

When, upon petition by a firm or group of workers for adjustment assistance, other than tariff assistance, there has been no affirmative determination with respect to an industry by the Tariff Commission, but the Tariff Commission has found that the firm or group of workers therein has been seriously injured, or threatened with serious injury by reason of increased imports due to trade agreement concessions, the President may certify such firm or group of workers as eligible to apply for adjustment assistance.

4. Assistance to industries

As indicated above, the President may (upon receipt of a Tariff Commission finding of serious injury to an industry) take action adjusting upward the import restrictions on the article concerned. However, he may, not later than 60 days after receiving the report of the Tariff Commission, ask for additional information from the Tariff Commission. In this case, the Commission is required to submit a supplementary report to the President not later than 120 days after it receives his request.

The President may decline to take the particular tariff adjustment action found by the Tariff Commission. If so, he is required within 60 days after receiving either the Commission's affirmative finding or its supplementary report (if he has requested additional information) to submit a report to the House of Representatives and to the Senate stating why he has not done so. Within the prescribed 60-day period following the President's report, the Congress, by an affirmative vote of the majority of the authorized membership of each House, may adopt a concurrent resolution stating in effect that the Congress approves the action found and reported by the Tariff Commission. Within 15 days after such a resolution is adopted, the President is required to proclaim the restrictive action found and reported by the Tariff Commission.

The bill provides that the President may, when he determines that it is in the national interest, reduce or terminate import restrictions proclaimed under previous or future escape-clause actions. He may do so only after receiving the Commission's advice as to the probable economic effect on the industry concerned of the reduction or termination, and after seeking the advice of the Secretary of Commerce and the Secretary of Labor.

Any increased import restrictions under the escape-clause provision will terminate not later than 4 years after the effective date of the initial proclamation of the escape-clause action or the date of the enactment of the bill, whichever is the later, unless (following petition by the industry) the President determines, after receiving the advice of the Tariff Commission and after seeking the advice of the Secretary of Commerce and the Secretary of Labor, that extension of the restrictions in whole or in part is in the national interest. The period of extension may not exceed 4 years at any one time.

Between 6 and 9 months before an escape-clause action would terminate unless extended by the President, the industry concerned has the right to petition the Tariff Commission to advise the President of its judgment as to the probable effect on the industry of the expiration of the escape-clause action. Such petition will result in an investigation during which the Tariff Commission will look into all economic factors which it considers relevant and will hold public hearings. The Tariff Commission will then advise the President as to the probable economic effect on the applicant industry if the increased import restrictions terminate (sec. 351).

5. Assistance to firms

The bill provides that firms determined to be eligible to apply for adjustment assistance may receive, upon application, any or all of three forms of assistance—financial, technical, or tax.

It is expected that many applicants will be firms whose capital reserves and borrowing ability have been depleted. Therefore, pursuant to the bill, such firms could receive direct Federal loans or assistance through Federal participation in, or guarantee of, private loans to assist in adjustment to import competition.

Firms may also be provided with technical assistance in order to devise the most effective adjustment proposal and to carry it out in the most efficient manner.

Firms with current losses due predominantly to import competition may be given the opportunity to carry back the loss for income tax purposes for 5 years instead of the normal 3 (sec. 311).

(*a*) *Adjustment proposals.*—The bill provides that a firm certified as eligible to apply for trade adjustment assistance may file its application with the Secretary of Commerce, indicating its need for assistance. Within a reasonable time, it must submit a proposal for its economic adjustment. This adjustment proposal will describe in some detail the nature and cost of the proposed adjustment effort, and the resources to be devoted to it from Federal and other sources. The firm may be furnished technical assistance in order to prepare an adequate adjustment proposal.

Adjustment proposals from firms applying for adjustment assistance are to be certified by the Secretary of Commerce as (1) giving reasonable assurance of contributing to successful adjustment; (2) giving adequate consideration to the interest of workers involved; and (3) assuring a maximum self-help effort by the firm. No financial or tax assistance and no further technical assistance may be given until the adjustment proposal has been certified.

With respect to the first point mentioned above, it is recognized that there may be some firms for which adjustment assistance is inappropriate and which could not adjust to their difficulties in this way. Even though such firms may have been certified as eligible to apply for adjustment assistance, the Secretary of Commerce should not authorize assistance unless he is satisfied that it will be of practical benefit to the applicant. Adjustment assistance should be treated not as indemnification of past losses, but as constructive aid for the rehabilitation of a commercial enterprise. With respect to the second point, adjustment plans that would permit the rehiring of workers laid off due to increased imports resulting from trade agreement concessions are to be preferred (sec. 311).

(*b*) *Use of other agencies.*—The Secretary of Commerce will be required to submit each firm's certified adjustment proposal to whatever Federal agency or agencies he determines to be appropriate to furnish the financial and technical assistance necessary to carry out such proposal. Such agencies may include the Small Business Administration, the Departments of Agriculture and Interior and the Area Redevelopment Administration. Each such agency will determine whether any part of the assistance called for by the proposal comes within the legal authority, regulations, and policies of the agency, and whether it is prepared to furnish such assistance out of its own appropriations. If the agency, for any reason, is not prepared to furnish any or all the necessary assistance, it will promptly notify the Secretary of Commerce, who may then furnish such assistance as remains necessary to carry out the adjustment proposal. The Secretary will, to the maximum extent practicable, provide such financial and technical assistance through existing agencies having the necessary expertise, by making available to them funds appropriated under the bill (sec. 312).

(*c*) *Authority of the Secretary of Commerce.*—The terms and conditions under which the Secretary of Commerce may furnish technical and financial assistance not furnished under the programs of other agencies are comparable to those presently applicable to other Federal assistance programs.

(*i*) *Financial assistance.*—Financial assistance may be furnished for plant and equipment, including modernization and conversion and, in exceptional circumstances, for working capital.

Loans made or deferred participations taken up are to bear interest at a rate no lower than 4 percent. Loans made, guaranteed, or covered by deferred participation agreements may have maturities of no more than 25 years (with a possibility of a 10-year extension for orderly liquidation). Private loans may be guaranteed or covered by participation agreements only if they are made at a reasonable rate of interest. An interest ceiling is provided on the portion of any such loan guaranteed or covered. Guarantees and deferred participation agreements are to be limited to 90 percent of whatever portion of a loan is made for adjustment purposes.

No financial assistance is to be provided unless the Secretary of Commerce determines that there is reasonable assurance of repayment (although it is not necessary that collateral be required). Financial assistance is not to be furnished if it is otherwise available to the firm on reasonable terms from non-Federal sources (secs. 314–315).

(*ii*) *Technical assistance.*—Technical assistance may include such aids as managerial advice, market analyses, research in and development of new or existing techniques and products, and any other technical service that would help promote adjustment to import competition. Subject to the requirement to make use of existing Government agencies to the maximum extent practicable or appropriate in extending technical assistance, the bill authorizes provision of technical assistance through non-Federal sources, on a contract basis or otherwise. Certain types of technical assistance, such as management studies, might better be handled outside of the Government. A firm may be required to share the cost of technical assistance as appropriate (sec. 313).

(*iii*) *Tax assistance.*—The bill authorizes the Secretary of Commerce to certify eligibility for tax assistance when he determines that such assistance will materially help the firm to adjust and that the firm has sustained a loss which arose predominantly from a business seriously injured, in the loss year, due to increased imports resulting from a trade agreement concession. The existence and amount of such loss are to be determined under the Internal Revenue Code. This will permit a firm to carry back the loss for tax purposes 2 years beyond the 3 years normally allowed. A firm without sufficient profits for the 3 taxable years preceding the loss year to take full advantage of the present carryback provisions, may receive a refund out of taxes for the 2 additional preceding years. Under present law it would only be able to get a tax advantage of the loss against possible future income (sec. 317).

6. Assistance to workers

(*a*) *In general.*—The bill provides that workers eligible to apply for adjustment assistance may receive several forms of assistance:

(i) Trade readjustment allowances, a weekly cash allowance intended to supplement regular unemployment compensation and to be generally available for 52 weeks of unemployment, including weeks of training.

(ii) Training, for vocational readjustment. Failure, without good cause, to take training to which the worker is referred will terminate his trade readjustment allowances.

(iii) Relocation allowances, for workers unable to obtain suitable local employment, to cover the cost of moving the family to an area where a job is available.

The worker assistance provisions are to be administered by the Secretary of Labor, principally on the basis of agreements with States to operate through the State employment security agencies.

Only "adversely affected workers" (as defined in sec. 338(2)) are eligible for worker assistance. Generally, eligibility will require the following steps:

(i) a finding by the Tariff Commission that the worker's industry, or his group of workers, is seriously injured by increased imports resulting from trade agreement concessions;

(ii) depending upon the circumstances, a certification by the President or the Secretary of Labor of eligibility to apply for worker assistance based on such injury; and

(iii) a determination that the worker has been separated because of lack of work in an import-affected firm or subdivision.

(*b*) *Trade readjustment allowances.*—The cash allowances under the bill are paid only for weeks of unemployment beginning not earlier than 31 days after enactment of the bill and after the date determined under section 302(d) as the beginning of the import-caused unemployment problem. The separation itself must occur after the beginning date but within 2 years of a certification that workers of the firm or subdivision are eligible for worker assistance. (This 2-year period can be shortened by a Presidential determination under sec. 302(e).)

A week of unemployment is a week in which the worker earns less than 75 percent of his average weekly wage and either works in the adversely affected employment for less than 80 percent of his average hours, or, if he has been totally separated from the adversely affected employment and is working at some other job, is not working on a full-time basis.

To be eligible for trade readjustment allowances, the worker must have been separated due to lack of work in an adversely affected employment; that is, in a firm or subdivision with respect to which there has been a certification of worker eligibility. This test of separation due to lack of work is stricter than under State law. A worker who leaves his job voluntarily may be eligible for State unemployment insurance if he had good cause but he would not be eligible for trade readjustment allowances under this bill if he left voluntarily, no matter how good the cause.

To be entitled to trade readjustment allowances, a worker must have had substantial employment over the 3 years immediately preceding his separation from adversely affected employment. The worker must have earned wages of $15 or more in at least half the weeks of the 3 years; and, in the 52 weeks preceding his separation, he must have had 26 weeks of employment, at wages of at least $15, in a firm or firms the workers of which have been found adversely affected by imports.

These employment requirements relating to entitlement to allowances are substantially stricter than those under the Manpower Development and Training Act of 1962 or under State unemployment insurance law. The Manpower Act requires only 3 years of gainful employment at any time in the worker's past. Of the 37 States where the unemployment insurance qualifying requirements are, or

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can be, expressed in terms of weeks of employment, only 2 have a requirement of more than 20 weeks in a 52-week base period; 20 require less than 20 weeks, and 15 require 20 weeks (sec. 322).

c. Weekly amount of trade readjustment allowances.—The trade readjustment allowance for a week is 65 percent of the individual's average weekly wage but it cannot exceed 65 percent of the average weekly manufacturing wage. The individual's average weekly wage is determined on the basis of the so-called high-quarter formula typical of most State unemployment compensation laws.

The maximum amount that can be paid to any worker for a week is 65 percent of the annual average weekly wage paid to production workers in manufacturing for the latest calendar year for which the figure has been published by the Bureau of Labor Statistics of the Department of Labor. Currently the most recent published figure, for the year 1960, is $89.72. The official average for 1961 will be published shortly, and is expected to be about $92.34, which would give a maximum weekly trade readjustment payment based thereon of $61.

The worker's weekly allowance will be reduced by one-half of any remuneration that he receives for services performed during the week of unemployment. This formula gives him an incentive to find work.

The amount of the trade readjustment allowance is further limited by the requirement that the total amount that a worker receives as trade readjustment allowance, remuneration for services performed during the week, and unemployment insurance and training allowance under the Manpower Act or Area Redevelopment Act, cannot exceed 75 percent of his average weekly wage.

Your committee believes that the scale of trade readjustment allowances is appropriate in view of the fact that the finding that the unemployment was caused by increased imports resulting from the removal, in whole or in part, of tariff protection implies that continuation of the prior tariff would have provided full job protection. This worker assistance is, therefore, in the nature of an adjustment to conditions brought about by removal of prior job protection and is not unemployment insurance. The terms of worker assistance are not meant to be precedents for the unemployment insurance program.

An adversely affected worker may receive his weekly trade readjustment allowance for weeks while he is attending training. The trade readjustment allowance would be in lieu of any training allowance he might receive under any other Federal law for worker training. If, under another Federal law for the training of workers, an adversely affected worker who is taking training could receive a higher weekly payment, his trade readjustment allowance for a week of training will be increased to such higher amount.

The bill provides that trade readjustment allowances will not duplicate benefits already available to the worker, but will merely supplement them, as necessary, to provide the designated level of weekly payments for a potential duration of 52 weeks in most cases. A worker's trade readjustment allowance for a week is reduced by any unemployment insurance to which he is entitled for such week, whether or not he has filed a claim for the unemployment insurance. If, for any week in which the worker is not taking training, he is found ineligible for State unemployment insurance solely on account of his claim for a trade readjustment allowance, his trade readjustment allowance will be reduced as if he had received State benefits.

With respect to a worker who is taking training, however, unemployment insurance for a week would be deducted from his trade readjustment allowance for that week only if the worker received the unemployment insurance. The bill provides that if an adversely affected worker is paid unemployment insurance under State law for a week during which he is taking approved training, the State may be reimbursed from trade readjustment allowance funds for the unemployment insurance, to the extent of the trade readjustment allowance to which the worker would have been entitled. It is intended that reimbursed unemployment insurance payments not be charged to employers' accounts and that trainees not have their eligibility for unemployment insurance reduced on account of such payments. This treatment of the relationship between payments to workers in training, reimbursement, and State unemployment insurance does not differ from that provided in the Manpower Development and Training Act.

The bill prevents a worker from obtaining duplicate benefits by first exhausting his entitlement to benefits under unemployment insurance or a Federal training law and then applying for trade readjustment allowances. The potential duration of trade readjustment allowances is reduced by the number of weeks for which the worker received such other benefits when he later files for a trade readjustment allowance. He is paid at that time the amount by which his trade readjustment allowance would have exceeded these other benefits for the prior weeks. This provision for payment would come into operation, for example, where unemployed workers have been receiving unemployment or training benefits and there is a section 302 certification of trade impact with a beginning date preceding the date of their layoff (sec. 323).

d. Time limit on trade readjustment allowances.—Under the bill a worker may receive trade readjustment allowances for not more than 52 weeks, with two exceptions. A worker who is taking training may receive up to 26 additional weeks of allowances to assist him in completing his training. In view of the difficulty that older workers would have in finding jobs, a worker who was at least 60 years old when he was separated is entitled to 13 additional weeks if he remains unemployed, is available for work, and otherwise meets the requirements of the bill. No worker can receive both the additional 26 weeks and the additional 13 weeks.

The extra 26 weeks' duration for workers taking training will not encourage workers to put off training since a worker's referral to training is not within his control. If a worker refuses, without good cause, to accept training to which he may be referred early in the 52-week period, his allowance would be suspended.

The normal 52-week duration may be paid to a worker only for weeks of unemployment beginning within 2 years after the beginning of the appropriate week. The additional 26 or 13 weeks may be paid within 3 years. For a worker totally separated, the appropriate week is the week of his most recent total separation. For a worker partially separated, the appropriate week is the first week for which he received a trade readjustment allowance following his most recent partial separation (sec. 324).

(*e*) *Application of State law.*—Except where inconsistent with the purposes of this bill, the availability and disqualification provisions of

the applicable State unemployment insurance law will apply to claims for trade readjustment allowance. The particular State law that would apply is, generally, that of the State in which the individual would be entitled to unemployment insurance (sec. 325).

(*f*) *Training.*—The bill provides that every effort shall be made to return adversely affected workers to full employment through whatever testing, counseling, training, and placement services are available under any Federal law. If the training provided is not within commuting distance of the worker's residence, his transportation may be paid, at not more than 10 cents a mile, and while at the facility, he may be paid subsistence expenses not to exceed $5 a day. These limitations are the same as those provided in the Manpower Development and Training Act. An individual who goes away for training and for any reason does not complete the course will receive transportation home. In determining "commuting distance" account will be taken of the established labor market area, patterns of place of work and place of residence, and usual community practice.

Insofar as practicable, preference is to be given to training arrangements which coordinate the training program for workers with the readjustment program of the employers. Such arrangements would afford the worker an opportunity to preserve his seniority and other rights, and would afford the employer an opportunity to rehire or retain his work force. The training offered to any worker should take his desires into account.

Training is of such importance under the program proposed by this chapter that trade readjustment allowances would be denied to a worker who, without good cause, refuses to accept suitable training to which he is referred, or fails to continue the course or to make satisfactory progress in it. The denial of allowances would continue until he accepts or resumes approved training (secs. 326–327).

(*g*) *Relocation allowances.*—A relocation allowance is provided by the bill for a totally separated worker who is the head of a family to make it possible for him to take a job in another location if he has no reasonable prospects for suitable reemployment locally. A worker is a "head of a family" if he has dependents who would make the move with him.

A relocation allowance may be paid to a worker only if, for the week in which he applies for a relocation allowance, he is entitled to a trade readjustment allowance (or he would have been so entitled except for certain specified circumstances, such as the fact that he has the new job, etc.)

A relocation allowance consists of both the reasonable and necessary expenses incurred in transporting the worker, his family, and their household effects from their present location to that of the new job, and a lump-sum payment equivalent to 2½ times the national average manufacturing wage (secs. 328–330).

(*h*) *Agreements with States.*—The bill provides that the Secretary of Labor may enter into agreements with States under which the State agency will carry out many of the specific functions associated with payment of allowances and the handling of training. The procedure for these State agreements follows the pattern established under prior laws (sec. 331).

(*i*) *Review.*—The bill provides (as does the Manpower Training Act) that determinations under chapter 3 as to the entitlement of individuals to assistance are final and conclusive, and not subject to

review except as the Secretary of Labor may by regulation provide. There would be no review of the certification that the unemployment in the worker's firm was caused by imports. The bill also directs the Secretary to provide for review of State agency determinations in the same manner and to the same extent as determinations under the State law, unless such State review procedure is impracticable or is inconsistent with the purpose of chapter 3. Determinations by State agencies which will be subject to the same review as unemployment insurance determinations include determinations on issues similar to those involved in unemployment insurance claims.

The omission of a comparable judicial review provision with respect to other determinations under the bill is not intended to affect the reviewability of such determinations under judicial precedents or statutory provisions governing review of such determinations (sec. 336).

7. Adjustment Assistance Advisory Board

Your committee's bill would create a Cabinet-level Adjustment Assistance Advisory Board to provide the President and the agencies administering the adjustment assistance program, other than tariff adjustment, with advice on developing coordinated programs for such adjustment assistance, giving full consideration to ways of preserving and restoring the employment relationship of firms and workers where possible, consistent with sound economic adjustment. The Board would consist of the Secretaries of Agriculture, Commerce, Health, Education, and Welfare, Interior, Labor, and the Treasury, and the Administrator of the Small Business Administration, and any other officer whom the President considers appropriate. The Secretary of Commerce would serve as Chairman.

In addition, industry committees may be established by the Chairman for the purpose of advising the Board. Members of such committees would be appointed by the Chairman and would be composed of representatives of employers, workers, and the public (sec. 361).

VI—Technical Explanation of the Bill

TITLE I—SHORT TITLE AND PURPOSES

Section 101. Short title

Section 101 of the bill provides that the bill when enacted may be cited as the "Trade Expansion Act of 1962."

Section 102. Statement of purposes

Section 102 of the bill provides that the purposes of the bill are, through trade agreements affording mutual benefits to the United States and the other parties to such agreements—

(1) To stimulate the economic growth of the United States and maintain and enlarge foreign markets for the products of U.S. agriculture, industry, mining, and commerce;

(2) To strengthen economic relations with foreign countries through the development of open and nondiscriminatory trading in the free world;

(3) To assist in the progress of countries in the earlier stages of economic development; and

(4) To prevent Communist economic penetration.

TITLE II—TRADE AGREEMENTS

Chapter 1—General Authority

Section 201. Basic authority for trade agreements

Section 201(a) of the bill provides in effect that whenever the President finds as a fact that any existing duties or other import restrictions of any foreign country or the United States are unduly burdening and restricting the foreign trade of the United States and that any of the purposes stated in section 102 of the bill will be promoted thereby, he may—

(1) During the period beginning on July 1, 1962, and ending on June 30, 1967, enter into trade agreements with foreign countries or instrumentalities thereof (such as the European Economic Community); and

(2) Proclaim such modification or continuance of any existing duty or other import restriction, such continuance of existing duty-free or excise treatment, or such additional import restrictions, as he determines to be required or appropriate to carry out any such trade agreement.

The proclaiming authority provided by section 201(a)(2) is limited to proclamations required or appropriate to carry out trade agreements entered into after June 30, 1962, and before July 1, 1967, pursuant to section 201(a). There is no time period in which such proclamations must be issued.

As used in section 201(a)(2), the term "duty or other import restriction" includes (1) the rate and form of an import duty, and (2) a limitation, prohibition, charge, and exaction other than duty, imposed on importation or imposed for the regulation of imports. (For the definition of this term, see par. (2) of sec. 405 of the bill.) As used in section 201(a)(2), the term "modification" includes an increase or decrease in a rate of duty and an increase or decrease in any other import restriction. Paragraph (6) of section 405 of the bill makes it clear that the term "modification" includes the elimination of a duty. It does not include the elimination of import restrictions which are not duties. The authority to proclaim additional import restrictions permits the imposition of new import restrictions (such as quotas). In the case of an item which was dutiable on July 1, 1934, but which is duty free at the time of the proclamation under section 201(a), this authority includes the imposition of a duty at a rate not higher than 50 percent above the rate existing on July 1, 1934.

Section 201(b)(1) contains the general rule that no proclamation is to be made pursuant to section 201(a) decreasing any rate of duty to a rate below 50 percent of the rate existing on July 1, 1962. This general rule is subject to the exceptions provided by sections 202, 211, 212, 213, and 254. The phrase "existing on July 1, 1962" as applied to a rate of duty is defined in paragraph (4) of section 256 as meaning the lowest nonpreferential rate of duty existing on such date or (if lower) the lowest nonpreferential rate to which the United States is committed on such date and which may be proclaimed under section 350 of the Tariff Act of 1930. In general, this will mean the most-favored-nation rate of duty on an article on July 1, 1962. However, in the case of any article with respect to which a trade agreement has been entered into under section 350 of the Tariff Act of 1930

before July 1, 1962, it means the lowest nonpreferential rate to which the United States is committed with respect to such article on such date but which has not yet been proclaimed.

Where an article is subject to more than one rate of duty (or to a compound rate), section 201(b)(1) is to be applied separately to each such rate (or component). For example, article A is subject to a 20 percent ad valorem duty and a specific rate of 4 cents a pound. Under section 201(b)(1), the ad valorem rate could not be reduced below 10 percent, and the specific rate could not be reduced below 2 cents a pound.

Section 201(b)(2) provides that no proclamation may be made pursuant to section 201(a) increasing any rate of duty to (or imposing) a rate more than 50 percent above the rate existing on July 1, 1934. The parenthetical phrase "(or imposing)" applies in the case of any article which was subject to a rate of duty on July 1, 1934, but which by reason of legislation, or action taken under section 201(a), is free of duty on the date of the proclamation. In such a case, a duty not higher than 50 percent above the rate of duty existing on such article on July 1, 1934, may be imposed. Where an article is subject to more than one rate of duty (or to a compound rate), section 201(b)(2) is to be applied separately to each such rate (or component).

Section 202. Low-rate articles

Section 202 provides, in effect, that a proclamation may be made under section 201(a) reducing the rate of duty on an article by more than 50 percent, or eliminating the duty, if the rate of duty on such article existing on July 1, 1962, is not more than 5 percent ad valorem (or ad valorem equivalent). The term "ad valorem equivalent" is defined in paragraph (7) of section 256. In general, such paragraph (7) provides a method of converting a specific rate (or a combination of rates which includes a specific rate) to the equivalent ad valorem rate. Such equivalent rate is to be determined by the President on the basis of the value of imports, during a period determined by the President to be representative, of the article concerned.

The second sentence of section 202 provides that, in the case of an article subject to more than one rate of duty, the first sentence thereof is to be applied by taking into account the aggregate of such rates as if they constituted a compound rate. For example, assume that article A is subject under one provision of law to a rate of duty of 2 percent ad valorem and under another provision of law to an additional duty of 6 cents a pound. If the ad valorem equivalent of this specific rate is 2.5 percent, then the first sentence of section 202 applies and the proclaiming authority under section 201(a) will not be limited by section 201(b)(1) to 50 percent of the rate of duty existing on July 1, 1962. If, however, the ad valorem equivalent of this specific rate is more than 3 percent, section 202 will not apply to article A.

Chapter 2—Special Provisions Concerning European Economic Community

Section 211. In general

Under section 211(a), in the case of any trade agreement which includes the European Economic Community (hereinafter in this explanation referred to as "EEC") as a party to the agreement, the limitation contained in section 201(b)(1) is not to apply to any article

which is in a category with respect to which the President determines that the United States and all countries of the EEC together account for 80 percent or more of the aggregated world export value of all of the articles within the category. The determination by the President with respect to a category is required to be made before he enters into the trade agreement.

Section 211(b) provides for the establishment of a comprehensive classification of articles by category through action by the President and the Tariff Commission. Paragraph (1) provides that, as soon as practicable after the date of enactment of the bill, the President is to select a system of comprehensive classification of articles by category and make public his selection of such system. Paragraph (2) provides that as soon as practicable after Presidential selection of such a system, the Tariff Commission is to determine the articles in the U.S. tariff schedules falling within each category of the system and make public all such determinations. Paragraph (2) further provides that only the Tariff Commission may make changes as to the articles included in any category. In addition, such changes may be made only for the purpose of correction and may not be made on or after the date on which the first public list is furnished to the Tariff Commission under section 221 which specifies section 211 as the section pursuant to which consideration may be given to reducing the rate of duty with respect to one or more articles below the 50 percent limitation contained in section 201(b)(1).

Paragraph (1) of section 211(c) provides that, for purposes of making a determination under section 211(a) with respect to any category of articles, the determination of the countries which are members of the European Economic Community is to be made as of the date of the President's request for advice from the Tariff Commission under section 211(d). Paragraph (2) of section 211(c) provides that aggregated world export value with respect to any category is to be computed (A) on the basis of a representative period in the most recent 5-year period for which statistics are available and which contains at least two periods which need not be consecutive, but each of which must contain at least 12 continuous months; (B) on the basis of the dollar value of exports as shown by trade statistics in use by the Department of Commerce; and (C) by excluding exports from any country of the EEC to another EEC country and exports to or from any country or area which, at any time during the representative period for such category, was denied the benefits of trade agreement concessions under section 5 of the Trade Agreements Extension Act of 1951 or under section 231 of the bill. In the case of any trade agreement, the representative period must be the same for all articles within the category, but there may be different periods for different categories.

Section 211(d) states that, before the President makes a determination under section 211(a) as to any category, the Tariff Commission, upon his request, is to make and advise him of its findings as to—

(1) The representative period for such category;

(2) The aggregated world export value of the articles falling within such category; and

(3) The percentage of the aggregated world export value of such articles accounted for by the United States and the countries of the EEC.

Section 211(e) provides that the authority under section 211 to proclaim reductions below the 50-percent limitation in section 201(b)(1) is not to apply to any article referred to in Agricultural Handbook No. 143. However, any such article is to be included in any category in which it would otherwise fall under this section for the purpose of applying the 80-percent formula and applying section 211(a) with respect to articles in such category which are not referred to in Handbook No. 143. This section and section 212 are mutually exclusive with respect to the proclamation of reductions of duties on articles referred to in Agricultural Handbook No. 143.

The operation of section 211(e) and of the 80-percent formula may be illustrated in general terms by the following example. The Tariff Commission, in accordance with section 211(b)(2) has determined that category X includes 10 articles. Of these 10 articles one, article A, is referred to in Agricultural Handbook No. 143. After requesting and receiving the findings of the Tariff Commission specified in section 211(d), the President determines that the representative period for category X is the period from April 1, 1960, through June 30, 1962. He further determines that (1) the aggregate dollar value of exports of these 10 articles during this representative period which are to be taken into account was $1 billion, and (2) of this aggregate value, the exports of the United States and of the European Economic Community which are to be taken into account was $830 million. In making the determinations described in the preceding sentence, the President will include exports of article A; but he will exclude the articles within the category which were exported from one EEC country to another EEC country, and he will also exclude articles which were exported to or from any Communist country or area (whether such trade was between Communist countries or between a Communist country and a non-Communist country). As a result of his determinations, to the extent required or appropriate to carry out the trade agreement with respect to which he has made such determinations, he may proclaim a rate of duty for any (or all) of the articles in category X (other than art. A) which is lower than 50 percent of the rate of duty on such article existing on July 1, 1962 (or he may proclaim the elimination of any such duty). However, no such proclamation, which is based on his determinations under section 211, may be made with respect to article A.

Section 212. Agricultural commodities

Section 212 provides that in the case of any trade agreement which includes the EEC as a party, the 50 percent limitation contained in section 201(b)(1) is not to apply to any article referred to in Agricultural Handbook No. 143, U.S. Department of Agriculture, as issued in September 1959, if (before he enters into such agreement) the President determines that such agreement will tend to assure the maintenance or expansion of U.S. exports of the like article. For this purpose, the fact that certain articles, which are referred to in such handbook, may not be classified as agricultural commodities under existing coding practices of certain governmental agencies is not ty change the status of such articles as ones to which section 212 mao apply.

Section 213. Tropical agricultural and forestry commodities

Section 213(a) provides that the 50 percent limitation contained in section 201(b)(1) is not to apply to any article which the President determines to be a tropical agricultural or forestry commodity, if he determines that two additional conditions are met. First, the President must determine that the like article is not produced in significant quantities in the United States. Second, the President must determine that the EEC has made a commitment with respect to duties or other import restrictions which is likely to assure access for such article to the markets of the EEC which (1) is comparable to the access which such article will have to U.S. markets, and (2) will be afforded substantially without differential treatment as among free world countries of origin.

Section 213(b) defines the term "tropical agricultural or forestry commodity" for purposes of section 213(a). The term refers to any agricultural or forestry commodity more than one-half of the world production of which is determined by the President to be in the area lying between 20° north latitude and 20° south latitude. The term "commodity" in this section is intended to embrace not only the article in its raw form, but also in the form resulting from such minimum processing as is customarily required to prepare it for marketing in substantial volume in international trade.

Section 213(c) provides that before the President makes a determination under section 213(a), the Tariff Commission shall, upon the request of the President, make findings as to whether the article is a tropical agricultural or forestry commodity, and whether it is produced in significant quantities in the United States, and the Commission shall advise the President of such findings.

Chapter 3—Requirements Concerning Negotiations

Section 221. Tariff Commission advice

Section 221(a) provides for the publication and transmission to the Tariff Commission (in connection with any proposed trade agreement under title II of the bill) of lists of articles which may be considered for modification or continuance of U.S. duties or other import restrictions or continuance of U.S. duty-free or excise treatment. The list must identify those articles on which the duty may be considered for reduction below the 50 percent limitation contained in section 201(b)(1) by specifying as to each such article the particular section pursuant to which such a reduction may be contemplated, i.e., section 202, 211, 212, or 213. It is intended that the President be bound by the list, so that, unless he has specified an article in the manner provided in the preceding sentence, he cannot negotiate any reduction of the rate of duty on such article below the 50 percent limitation contained in section 201(b)(1). The preceding sentence would not apply in the case of rounding a rate of duty within the limits of section 254.

Section 221(b) requires the Tariff Commission, within 6 months of receipt of the list, to advise the President of its judgment as to the probable economic effect of modifications of duties or other import restrictions on industries producing like or directly competitive articles. It is intended that the Tariff Commission, in arriving at its judgment, is to take into account the probable economic effect of such modifications in terms of idling of productive facilities, inability

to operate at a profit, and unemployment or underemployment, and shall take into account such other economic factors as it considers relevant. It is expected that the Tariff Commission advice would be only with respect to the probable economic effect of reductions in duties or other import restrictions or (where so indicated) eliminations of duty.

Section 221(b) also provides that the Tariff Commission is to hold public hearings in the course of preparing such advice. It is expected that, as under present procedures, the reports by the Tariff Commission to the President under section 221(b) would not be made public.

Section 222. Advice from departments

Section 222 requires the President, before entering into a trade agreement under title II of the bill, to seek information and advice with respect to such agreement from the Departments of Agriculture, Commerce, Defense, Interior, Labor, State, and Treasury, and from such other sources as he may deem appropriate.

Section 223. Public hearings

Section 223 provides that in connection with any proposed trade agreement the President is to afford an opportunity for interested persons to be heard concerning any article on a list published pursuant to section 221, any article which should be so listed, any concession which should be sought by the United States, or any other relevant matter. It is expected that in these hearings emphasis will be placed on concessions which the United States should seek from other countries.

The second sentence of section 223 requires the President to designate an agency or an interagency committee which shall, after reasonable notice, hold public hearings which shall be conducted in accordance with such regulations as it shall prescribe and publish. Such agency or committee is required to furnish the President with a summary of the hearings.

Section 224. Prerequisite for offers

Section 224 prohibits the President from making an offer for the modification or continuance of any duty or other import restriction, or continuance of duty-free or excise treatment, with respect to any article until the President has received the advice of the Tariff Commission on that article, or 6 months has expired since he asked for that advice, and until he has received the summary of the public hearings at which an opportunity to be heard with respect to such article was afforded under section 223. Section 224 is intended to permit the President to begin the early stages of a negotiation before receipt of the advice and summary, but to prevent him, until receipt thereof, from making any offer which, if accepted, would be binding (subject to the conclusion of the trade agreement) as to a specific modification of the rate of duty on any article.

Section 225. Reservation of articles from negotiations

Section 225(a) requires the President to reserve from negotiations under title II of the bill for the reduction of any duty or other import restriction or the elimination of any duty, any article as to which there is in effect, at the time of such negotiations, any Presidential action taken under section 232 (safeguarding national security) or its

predecessor (sec. 2 of the Trade Agreements Act approved July 1, 1954) or under section 351 (tariff adjustment) or its predecessor (the escape-clause procedure provided for in sec. 7 of the Trade Agreements Extension Act of 1951).

Section 225(b) imposes a requirement on the President with respect to the reservation of articles from negotiation which is separate from and additional to the reservation requirement of section 225(a)(3). It requires him to reserve from negotiation, during the 4-year period beginning on the date of the enactment of the bill, any article which, by a majority of the members voting in an escape-clause proceeding, the Tariff Commission found was being imported in such increased quantities as to cause or threaten serious injury to a domestic industry. However, such reservation is mandatory only upon the request of the industry concerned made within 60 days of the publication of a list under section 221 containing the article, and only if the Tariff Commission then finds and advises the President that economic conditions in the industry have not substantially improved since the date of the Tariff Commission's report of its finding of injury to the industry. An industry may not make a request under section 225(b) if it failed to make such a request the first time such article was included in a list published under section 221.

Section 225(c) authorizes the President to reserve any other article he determines to be appropriate, taking into consideration the advice of the Tariff Commission furnished under section 221(b), the advice furnished him under section 222, and the summary furnished him under section 223.

Section 226. Transmission of agreements to Congress

Section 226 provides that, after entering into any trade agreement under title II of the bill, the President is to transmit promptly to each House of the Congress a copy of such agreement together with a statement of his reasons, in the light of the advice of the Tariff Commission under section 221(b) and of other relevant considerations, for entering into the agreement.

Chapter 4—National Security

Section 231. Products of Communist countries or areas

Section 231 provides that, as an exception to the most-favored-nation principle, the President shall, as soon as practicable, refrain from applying any reduction, elimination, or continuance of any existing duty or other import restriction, or the continuance of any existing duty-free or excise treatment, proclaimed in carrying out any trade agreement under title II of the bill or under section 350 of the Tariff Act of 1930 to products of any country or area dominated or controlled by Communism, whether imported directly or indirectly. It is contemplated that, in addition to those countries and areas which have been designated pursuant to section 5 of the Trade Agreements Extension Act of 1951, upon the enactment of the bill Poland (and areas under its provisional administration), Yugoslavia, and Cuba will be designated pursuant to section 231. In addition, action under this section is to be taken if, in the future, any additional country or area becomes dominated or controlled by Communism. Action under this section with respect to any country or area may be terminated

when such country or area is no longer dominated or controlled by Communism.

Section 232. Safeguarding national security

Except for conforming changes, section 232 is identical to, and continues in effect, the provisions of section 2 of the Trade Agreements Act approved July 1, 1954, as amended by section 8 of the Trade Agreements Extension Act of 1958.

Section 232(a) provides that no action is to be taken pursuant to the bill or section 350 of the Tariff Act of 1930 to decrease or eliminate the duty or to decrease any other import restriction on any article if the President determines that the reduction or elimination would threaten to impair the national security.

Section 232(b) provides that upon request, application, or notice from specified sources the Director of the Office of Emergency Planning (OEP) must undertake an investigation to determine whether the article is being imported into the United States in such quantities or under such circumstances as to threaten to impair the national security. If he so finds, he is required to so advise the President, who is required to take such action as he deems necessary to adjust imports unless he determines that the article is not being imported in such quantities or under such circumstances as to threaten to impair the national security.

Section 232(c) enumerates various factors to which the President and the Director of the OEP are to give consideration in carrying out their functions.

Section 232(d) requires a report to be made and published on each final disposition of any request for investigation under section 232(b). It also requires the Director of the OEP to publish procedural regulations governing the exercise of the authority vested in him by section 232(b).

Chapter 5—Administrative Provisions

Section 241. Special Representative for Trade Negotiations

Section 241(a) requires the President to appoint, by and with the advice and consent of the Senate, a Special Representative for Trade Negotiations, who is to be the chief representative of the United States for each negotiation of a trade agreement under title II of the bill. He also is to be the chief representative for such other negotiations as in the President's judgment require that the Special Representative be the chief representative of the United States. The Special Representative is to hold office at the pleasure of the President, receive the same compensation and allowances as a chief of mission, have the rank of ambassador extraordinary and plenipotentiary, and be an ex officio member of the interagency organization established pursuant to section 242(a).

Section 241(b) requires the Special Representative to seek information and advice in the performance of his functions from representatives of industry, agriculture, and labor, and from such U.S. agencies as he deems appropriate, including the Tariff Commission.

Section 242. Interagency trade organization

Section 242(a) requires the President to establish an interagency organization at the Cabinet level. Section 242(b) provides that this

organization will make recommendations to the President on basic policy issues concerning the trade agreements program, make recommendations to him concerning action, if any, to be taken under section 351 (relating to tariff adjustment), advise the President of the results of hearings concerning unjustifiable foreign import restrictions held pursuant to section 252(c) and recommend appropriate action with respect thereto, and perform other trade agreement functions which the President may designate.

Section 242(c) requires the organization to draw upon the resources of agencies to the maximum extent practicable, and permits the President to establish procedures and committees to enable the organization to carry out its functions.

Section 243. Congressional delegates to negotiations

Section 243 provides for the selection by the President, before each negotiation, of two members (not of the same political party) of the Committee on Ways and Means and two members (not of the same political party) of the Committee on Finance to be duly accredited to the U.S. delegation for the purpose of observing such trade negotiation. The members are to be selected upon the recommendation of the Speaker of the House of Representatives and the President of the Senate, respectively.

Chapter 6—General Provisions

Section 251. Most-favored-nation principle

Section 251 provides that, except as otherwise provided in title II of the bill, any duty or other import restriction or duty-free treatment proclaimed in carrying out any trade agreement under title II or under section 350 of the Tariff Act of 1930 shall apply to products of all foreign countries, whether imported directly or indirectly.

Section 252. Foreign import restrictions

Section 252(a) provides that whenever unjustifiable foreign import restrictions impair the value of tariff commitments made to the United States, oppress the commerce of the United States, or prevent the expansion of trade on a mutually advantageous basis, the President is to (1) take all appropriate and feasible steps within his power to eliminate such restrictions, and (2) refrain from negotiating the reduction or elimination of any U.S. import restriction under section 201(a) in order to obtain the reduction or elimination of any such restrictions.

Section 252(b) provides that whenever a foreign country or instrumentality, the products of which receive benefits of trade agreement concessions made by the United States, maintains nontariff trade restrictions (including unlimited variable import fees) which substantially burden U.S. commerce in a manner which is inconsistent with the provisions of trade agreements or engages in discriminatory or other acts (including tolerance of international cartels) or policies which unjustifiably restrict U.S. commerce, the President shall, to the extent that such action is consistent with the purposes of section 102, suspend, withdraw, or prevent the application of benefits of trade agreement concessions to products of such country or instrumentality or refrain from proclaiming benefits of trade agreement concessions to carry out a trade agreement with such country or instrumentality.

Section 252(c) provides that the President is to provide an opportunity for interested persons to present views concerning the existence of unjustifiable import restrictions maintained against U.S. commerce. It also provides that the President shall, upon request by any interested person, provide for public hearings after reasonable notice. Such hearings are to be provided through the organization established pursuant to section 242(a).

Section 253. Staging requirements

Section 253(a) provides in effect that the total reduction of any rate is not to take place, except as otherwise provided in section 253 or in section 254 (rounding authority), more rapidly than in five equal annual installments. The first installment may take place on the date of the first proclamation to carry out the trade agreement.

It will be noted that a postponement (other than a postponement by reason of legislation or action thereunder) of the taking effect of a reduction, or a failure to make the maximum permissible reduction for a stage, will increase the maximum permissible reduction for subsequent stages. For example, assume that under a trade agreement it was contemplated that the rate of duty on article A is to be reduced from 80 percent to 40 percent. The initial proclamation under the trade agreement does not specify any reduction in the rate of duty on article A. Two years later, the first such reduction is proclaimed. This first such reduction may be 24 percent, and the rate may be reduced by an additional 8 percent upon the expiration of 1 year after such first reduction and by a further reduction of 8 percent upon the expiration of 1 more year.

Section 253(b) provides an exception to the staging requirements of section 253(a). By reason of section 253(b) no staging is required as to reductions and eliminations of duty which rest upon the authority of section 213(a) (tropical agricultural and forestry commodities).

Section 253(c) provides that if a rate of duty has been or is to be reduced under a prior trade agreement, no reduction under a subsequent trade agreement can take place until one year after the taking effect of the final reduction which is made under the prior agreement, whether such final reduction is the last reduction as originally scheduled in the prior trade agreement or is an intermediate reduction which becomes the final reduction as a result of an agreed elimination of the subsequent reductions under such agreement.

Section 253(d) provides that any period during which a part of a reduction is not in effect by reason of legislation or action taken under legislation (sec. 351 of the bill, for example) shall be excluded in computing the time periods set out in section 253.

Section 254. Rounding authority

Section 254 provides that the President may, if he determines that it will simplify the computation of the amount of duty imposed with respect to an article, exceed the limitation provided by section 201(b)(1) or 253 by not more than whichever of the following is lesser: (1) the difference between the lowest rate of duty permitted by such section and the next lower whole number, or (2) one-half of 1 percent ad valorem or an amount the ad valorem equivalent of which is one-half of 1 percent.

The operation of this section may be illustrated by the following examples: First, with regard to an ad valorem rate of duty, if a rate

is 14.5 percent, then exercise of the 50 percent reduction authority would yield a rate of 7.25 percent. The latter figure could be rounded down to 7 percent for the following reasons: (A) 7 percent would be the next lower whole number below 7.25 percent, and (B) 0.25 percent is less than one-half of 1 percent.

Second, with regard to a specific rate of duty, if a specific rate is 14.5 cents, then exercise of the 50 percent reduction authority would yield a rate of 7.25 cents. The first limitation would permit rounding down to 7 cents, since that figure is the next lower whole number below 7.25 cents. However, whether a reduction of 0.25 cent would be permitted by the second limitation would depend upon the value of the good. If the value of the good were 50 cents, then a rounding down to 7 cents would be permitted, since 0.25 cent would be an amount the ad valorem equivalent of which is one-half of 1 percent. If the value of the good were less than 50 cents the rounding down to 7 cents would not be possible.

Section 255. Termination

Section 255(a) provides that every trade agreement under title II of the bill is to be subject to termination or withdrawal, upon due notice, at the end of a period specified in the agreement. This period is not to be more than 3 years from the date on which the agreement becomes effective, and, if the agreement is not terminated or withdrawn from at the end of such period, it is to be subject to termination or withdrawal thereafter upon not more than 6 months' notice.

Section 255(b) provides that the President may at any time terminate, in whole or in part, any proclamation issued under title II of the bill.

Section 256. Definitions

Section 256 sets out definitions of terms used in title II of the bill.

Paragraph (1) provides that the term "European Economic Community" means the instrumentality known by that name or any successor thereto.

Paragraph (2) provides that the countries of the European Economic Community as of any particular date are to be those which on that date are agreed to achieve a common external tariff through the European Economic Community. The relevant date is the one determined by the context in which the term is used. Thus in section 211(c)(1) (special categories for EEC negotiations), it is the date of the President's request to the Tariff Commission under section 211(d). In section 213(a)(3) (tropical agricultural and forestry commodities), it is the date of the President's determination.

Paragraph (3) provides that the term "agreement with the European Economic Community" means an agreement to which the United States and all countries of the EEC (determined as of the date such an agreement is entered into and pursuant to the definition in par. (2) of sec. 256) are parties. This paragraph further provides that each country for which the EEC signs shall be treated as a party to the agreement.

Paragraph (4) provides that the term "existing on July 1, 1962," as applied to a rate of duty, means the lowest nonpreferential rate which existed on that date or, if it is lower, the lowest nonpreferential rate to which the United States is committed on that date and which may be proclaimed under section 350 of the Tariff Act of 1930.

Generally speaking, this definition is designed to permit the application of the limitations of section 201(b)(1) (50-percent authority) and section 202 (low rate authority) to rates agreed upon at the last round of multilateral negotiations under such section 350 but which may not be in effect on July 1, 1962.

Paragraph (5) provides that the term "existing on July 1, 1934," as applied to a rate of duty, refers to the rate existing on that date.

Paragraph (6) provides that the term "existing" without the specification of any date, when used in connection with any matter relating to the entering into of a trade agreement or any proclamation to carry out a trade agreement, means existing on the day on which such trade agreement was entered into.

The first sentence of paragraph (7) provides that the term "ad valorem equivalent" means the ad valorem equivalent of a specific rate, or in the case of a combination of rates including a specific rate, the sum of the ad valorem equivalent of the specific rate and of the ad valorem rate. The second sentence provides that the ad valorem equivalent is to be determined by the President on the basis of the value of imports of the article concerned during a period determined by him to be representative. The third sentence requires the President, in determining the value of imports, to utilize, to the maximum extent practicable, the standards of valuation contained in section 402 (value) or 402a (value-alternative) of the Tariff Act of 1930 applicable to the article concerned during such representative period.

Section 257. Relation to other laws

Section 257(a) makes certain changes in section 350(b) of the Tariff Act of 1930 which are necessary in order to coordinate its provisions with the provisions of the bill.

Subsection (b) repeals section 350(a)(5) and 350(e). Such section 350(a)(5) is replaced by sections 251 (most-favored-nation principle) and 252 (foreign import restrictions) of the bill. Such section 350(e) is replaced by section 402 (reports) of the bill.

Section 257(c) extends the authority to enter into trade agreements under section 350 of the Tariff Act of 1930 until the close of December 31, 1962, with respect to trade agreements entered into pursuant to notices of intention to negotiate which were published in the Federal Register of May 28, 1960, and of November 23, 1960. Thus the limitations and provisions of section 350 will apply in respect of any such agreement rather than the limitations and provisions of the bill.

Subsection (d) amends the second and third sentences of section 2(a) of the act approved June 12, 1934 (the 1934 trade agreements legislation) to continue in effect the relation of trade agreements to section 336 of the Tariff Act of 1930 (equalization of costs of production) and to the third paragraph of section 311 of such act (relating to flour manufactured in a bonded manufacturing warehouse from imported wheat).

Paragraph (1) of subsection (e) repeals sections 5, 6, 7, and 8(a) of the Trade Agreements Extension Act of 1951. Sections 5, 6, and 7 are superseded by sections 231 (products of Communist countries or areas), 301 (Tariff Commission investigations and reports), and 351 (tariff adjustment authority) of the bill. Left unrepealed (for the limited purpose of the agreements referred to in sec. 257(c)) are sections 3 and 4 of such 1951 act. Also not repealed is section 11 of

such act, which relates to the prohibition on the importation of certain furs which are the product of the Soviet Union or Communist China. Paragraph (1) also leaves unaffected the amendment to section 22(f) of the Agricultural Adjustment Act made by section 8(b) of the 1951 act, providing that no agreement heretofore or hereafter entered into by the United States shall be applied in a manner inconsistent with the requirements of section 22. Paragraph (2) of subsection (e) is designed to insure the uninterrupted operation of any action taken by the President under section 5 of the Trade Agreements Extension Act of 1951, relating to customs treatment of products of Communist countries. Paragraph (3) of subsection (e) provides for the continuation of any investigation instituted under section 7 of the Trade Agreements Extension Act of 1951 as though the application by the interested party were a petition under section 301 of the bill for tariff adjustment under section 351. In determining the time for making the report on such investigation, the petition is to be treated as having been filed on the date of the enactment of the bill.

Subsection (f) repeals section 2 of the Trade Agreements Act approved July 1, 1954, and preserves any action taken under it as though the action had been taken under its successor, section 232 (safeguarding national security) of the bill.

TITLE III—TARIFF ADJUSTMENT AND OTHER ADJUSTMENT ASSISTANCE

Chapter 1—Eligibility for Assistance

Section 301. Tariff Commission investigations and reports

Section 301(a)(1) provides that petitions for tariff adjustment under section 351 or for determinations of eligibility to apply for adjustment assistance under chapter 2 or 3 of title III of the bill may be filed with the Tariff Commission by firms, groups of workers, or industries. Section 301(a)(1) also specifies who may file a petition with respect to a firm, group of workers, or industry.

Section 301(a)(2) provides that whenever a petition is filed under section 301(a), the Tariff Commission must transmit a copy of the petition to the Secretary of Commerce.

Section 301(b)(1) provides for Tariff Commission determinations of injury to domestic industries from imports. It provides that the Tariff Commission shall promptly make an industry investigation (1) upon request of the President, (2) upon resolution of either the Senate Committee on Finance or the House Committee on Ways and Means, (3) upon the Commission's own motion, or (4) upon the filing of any petition under section 301(a)(1). The investigation is to be made to determine whether, as a result of concessions granted under trade agreements, the article in question is being imported into the United States in such increased quantities as to cause, or threaten to cause, serious injury to the domestic industry which is producing an article which is like or directly competitive with such imported article. The phrase "as a result of concessions granted under trade agreements", as applied to concessions involving reductions in duty, means the aggregate reduction which has been arrived at by means of a trade agreement or trade agreements (whether entered into under sec. 201 of this bill or under sec. 350 of the Tariff Act of 1930).

Subsection (b)(2) provides that in making an industry determination under subsection (b)(1) the Tariff Commission is to take into account all economic factors which it considers relevant, including idling of productive facilities, inability to operate at a profit, and unemployment or underemployment.

Subsection (b) (3) provides that no industry investigation shall be made, upon the filing of a petition under section 301(a)(1), with respect to the same imported article and the same domestic article as have been the subject matter of a previous industry investigation under section 301(b), unless 1 year has elapsed since the Tariff Commission made its report to the President on the results of such previous investigation. This provision will not prevent a second industry investigation within the 1-year period on motion of the Tariff Commission, on request of the President, or on resolution of the Senate Committee on Finance or the House Committee on Ways and Means. Nor will it prevent, in a case where the Tariff Commission has not made an affirmative finding with respect to the industry, any firm or group of workers in the industry from filing a petition under section 301(a)(1) during such 1-year period for a finding of injury with respect to that firm or group of workers.

Section 301(c)(1) provides for Tariff Commission determinations of injury to individual firms from imports. When a petition is filed by a firm for a determination of eligibility to apply for adjustment assistance under chapter 2, the Tariff Commission is required to make a determination with respect to the firm, in addition to making the industry determination under subsection (b). The Commission must determine whether, as a result of concessions granted under trade agreements, an article complained of in the petition and alleged to be like or directly competitive with an article produced by the firm is being imported into the United States in such increased quantities as to cause, or threaten to cause, serious injury to such firm.

Subsection (c)(2) provides for Tariff Commission determinations of injury to workers from imports. When a petition is filed for a determination of eligibility of workers to apply for adjustment assistance under chapter 3, the Tariff Commission is required to make a determination with respect to such workers, in addition to making the industry determination under subsection (b). The Commission must determine whether, as a result of concessions granted under trade agreements, an article complained of in the petition and alleged to be like or directly competitive with an article produced by such workers' firm, or an appropriate subdivision of the firm, is being imported into the United States in such increased quantities as to cause, or threaten to cause, unemployment or underemployment of a significant number or proportion of the workers of such firm or subdivision.

Under subsection (c)(3) the Tariff Commission may provide that, during a period specified by the Tariff Commission (which period may not begin earlier than 30 days after the publication of notice of hearings with respect to an industry and may not end later than the date of the report of the Tariff Commission with respect thereto under subsec. (f)(2)) no petition may be filed under section 301(a)(1) by a firm or group of workers in such industry with respect to the same imported article and the same domestic article.

Section 301(d) provides that in the course of any investigation under section 301, the Tariff Commission shall, after giving reasonable notice, hold public hearings and shall afford interested parties an opportunity to be present, to produce evidence, and to be heard at such hearings.

Section 301(e) deals with the function of the Tariff Commission after completion of its investigation. It provides that should the Commission find with respect to any article, as a result of its investigation, that the serious injury or threat thereof described in subsection (b) exists, the Commission is to find the amount of the increase in, or imposition of, any duty or other import restriction on such article which is necessary to prevent or remedy such injury. Pursuant to the phrase "increase in, or imposition of, any duty or other import restriction", the Tariff Commission could find that both an increase in duty and the imposition of a quota are necessary to prevent or remedy injury. The Commission is required to include the finding described in section 301(e) in its report to the President.

Section 301(f) relates to the Tariff Commission reports. Paragraph (1) provides that the Tariff Commission is to report to the President the results of each investigation under section 301 and is to include in each report any dissenting or separate views. Paragraph (1) also requires that the Commission furnish to the President a transcript of the hearings and any briefs which may have been submitted in connection with each investigation.

Paragraphs (2) and (3) of section 301(f) fix the maximum time for making of reports by the Commission of its determinations. In all three cases (with respect to industries, firms, and groups of workers) the Commission must report its determination at the earliest practicable time. Paragraph (2) further requires that the Commission's report of its industry determination under section 301(b) must be made not later than 120 days after the date on which the petition is filed (or the date on which the request or resolution is received or the motion is adopted, as the case may be), unless the President extends such time for an additional period not to exceed 30 days. Upon making such report to the President, the Commission must promptly make the report public and cause a summary of the report to be published in the Federal Register.

Paragraph (3) of section 301(f) provides that in the case of a determination with respect to any firm or group of workers, under section 301 (c)(1) or (c)(2), the Commission's report must be made not later than 60 days after the date on which the petition is filed for determination of eligibility to apply for adjustment assistance.

Section 302. Presidential action after Tariff Commission determination

Section 302 deals with action which may be taken after the Tar Commission has made an affirmative determination.

Section 302(a) relates to industries. It provides that after receiving a report from the Tariff Commission containing an affirmative finding (under sec. 301(b)) of serious injury or threat thereof with respect to any industry, the President may (1) provide tariff adjustment for such industry pursuant to section 351; (2) provide, with respect to such industry, that firms therein may request the Secretary of Commerce for certifications of eligibility to apply for adjustment assistance under chapter 2 of title III of the bill; (3) provide, with respect to such industry, that groups of workers therein may request the Secretary

of Labor for certifications of eligibility to apply for adjustment assistance under chapter 3 of title III of the bill; or (4) take any combination of such actions. No order of priority as between tariff adjustment and other adjustment assistance is established.

Subsections (b)(1) and (b)(2) authorize the Secretary of Commerce (in the case of any firm) and the Secretary of Labor (in the case of any group of workers) to make the certification of eligibility to apply for adjustment assistance referred to in subsections (a)(2) and (a)(3), respectively.

Subsection (b)(1) provides that the Secretary of Commerce is to certify, as eligible to apply for adjustment assistance under chapter 2, any firm in an industry with respect to which the President has acted under subsection (a)(2), upon a showing by such firm to the Secretary's satisfaction that the increased imports (which the Tariff Commission has determined under sec. 301(b) to result from concessions granted under trade agreements) have caused serious injury or threat thereof to such firm.

Subsection (b)(2) provides that the Secretary of Labor is to certify, as eligible to apply for adjustment assistance under chapter 3, any group of workers in an industry with respect to which the President has acted under subsection (a)(3), upon a showing by such group of workers to the Secretary's satisfaction that the increased imports (which the Tariff Commission has determined under sec. 301(b) to result from concessions granted under trade agreements) have caused or threatened to cause unemployment or underemployment of a significant number or proportion of workers of such workers' firm, or appropriate subdivision thereof, producing the article concerned.

Section 302(c) deals with those situations where a report has been made containing an affirmative finding under section 301(c) with respect to a firm or group of workers. In such cases, the President, after receiving the report from the Tariff Commission, may certify that such firm or group of workers is eligible to apply for adjustment assistance.

Section 302(d) provides that if a certification is made under subsection (b) or (c) of section 302 as to the eligibility of a group of workers to apply for adjustment assistance, the certification must specify the date on which the unemployment or underemployment began or threatens to begin. The date to be determined is the earliest date on which any part of the unemployment or underemployment, which is determined to involve a significant number or proportion of workers, began or threatens to begin. The date when unemployment or underemployment threatens to begin is the date on which the threatened unemployment or underemployment is expected to begin and not the date on which the threat of such unemployment or underemployment begins. The date provided for in section 302(d) is required in determining the entitlement of workers to receive adjustment assistance under the qualifying requirements of section 322.

Section 302(e) provides for termination of any outstanding certification of the eligibility of a group of workers to apply for adjustment assistance. Whenever the President determines that separations from the firm or subdivision thereof are no longer attributable to the conditions specified in section 301(c)(2) or in section 302(b)(2), he shall terminate the effect of such certification. The termination is to apply only with respect to separations occurring after the date

specified by him, and is not to affect the eligibility of workers separated before such date to apply for and receive assistance.

Chapter 2—Assistance to Firms

Section 311. Certification of adjustment proposals

Section 311(a) provides that a firm certified under section 302 as eligible to apply for adjustment assistance may file an application with the Secretary of Commerce for adjustment assistance under chapter 2 of title III of the bill. The application may be filed at any time within 2 years after the date of such certification. In addition, within a reasonable time after filing its application, the firm must present a proposal for its economic adjustment.

Section 311(b) identifies the kinds of adjustment assistance which may be furnished to firms under chapter 2—technical assistance, financial assistance, and tax assistance. These may be furnished singly or in combination. It further refines the concept of an adjustment proposal by providing that no adjustment assistance will be provided to a firm until its proposal shall have been certified by the Secretary of Commerce (1) to be reasonably calculated materially to contribute to the firm's economic adjustment, (2) to give adequate consideration to the interests of its workers adversely affected by trade agreement concessions, and (3) to demonstrate that the firm will make all reasonable efforts to use its own resources for economic development.

Section 311(c) provides that the Secretary of Commerce may furnish technical assistance to aid the applicant firm in preparing a sound adjustment proposal.

Section 311(d) provides that the Secretary's certification of an adjustment proposal is to remain in force only for such period of time as the Secretary may prescribe. This provision permits appropriate variations in the duration of the validity of certifications and insures that they will not be indefinitely valid.

Section 312. Use of existing agencies

Section 312 establishes the basic principle that technical and financial assistance necessary to carry out a certified adjustment proposal is in general to be furnished by existing agencies of the Federal Government. Where such agency or agencies determine not to furnish such technical or financial assistance, the Secretary of Commerce is authorized to furnish such assistance. In this sense, the authority granted to the Secretary of Commerce under sections 313 and 314 is a residual authority.

Section 312(a) requires the Secretary of Commerce to refer each adjustment proposal which he has certified under section 311 to such Federal agency or agencies as he determines to be appropriate to furnish the technical and financial assistance necessary to carry out such proposal. The determination of the appropriateness of an agency is to be made on the basis of such criteria as the legal authority of such agency, its resources, and its capacity to carry out the proposal or any part thereof. The agencies to which such proposals may be referred include the Department of Commerce and agencies thereunder.

Section 312(b) provides that, upon its receipt of a certified adjustment proposal, each agency to which the Secretary of Commerce

has referred the proposal shall promptly examine those aspects of the proposal which it deems relevant to its functions; and the agency is to notify the Secretary of Commerce promptly of its determination as to what, if any, technical or financial assistance or both the agency is prepared to furnish in order to carry out the proposal.

Section 312(c) provides that the Secretary of Commerce may furnish adjustment assistance under sections 313 and 314 whenever and to the extent that any agency to which an adjustment proposal has been referred notifies the Secretary of its determination not to furnish technical or financial assistance. The Secretary of Commerce must determine that the assistance to be furnished under this residual authority is necessary to carry out the adjustment proposal. In the event that the assistance proposed to be furnished by the agency referred to is inadequate to meet the needs of the adjustment proposal, this provision authorizes the Secretary of Commerce to furnish the balance of the needed assistance.

Section 312(d) authorizes to be appropriated to the Secretary of Commerce such sums as may be necessary from time to time to carry out his functions in connection with furnishing adjustment assistance to firms. These sums are further authorized to be appropriated to remain available until expended.

Section 313. Technical assistance

Section 313(a) authorizes the Secretary of Commerce, when the requirements of section 312(c) are met, to provide such technical assistance to a firm as in his judgment will materially contribute to the economic adjustment of such firm. Such assistance may be provided on such terms and conditions as he determines to be appropriate. "Technical assistance" may include, but is not limited to, information, market and other economic research, managerial advice and counseling, training, and assistance in research and development.

Section 313(b) provides that, to the maximum extent practicable, the technical assistance furnished under section 313 and section 311(c) is to be furnished by the Secretary of Commerce through existing Federal agencies, and otherwise may be furnished through private individuals, firms, or institutions. It is intended by the reference to "existing agencies" to refer to those agencies which are already conducting comparable technical assistance activities under other laws. Where technical assistance is furnished through private individuals, firms, or institutions, it may be done on a contract basis or otherwise.

Section 313(c) provides that the Secretary of Commerce is to require the firm to share the cost of the technical assistance under section 313 or under section 311(c) when and to the extent the Secretary of Commerce determines to be appropriate.

Section 314. Financial assistance

Section 314(a) authorizes the Secretary of Commerce, when the requirements of section 312(c) are met, to provide such financial assistance to a firm as in his judgment will materially contribute to the economic adjustment of such firm. Such assistance may be provided on such terms and conditions as he determines to be appropriate. Financial assistance may be in the form of guarantees of loans, agreements for deferred participations in loans, or direct loans (whether or not participated in by other lenders). In the case of a guarantee of a loan, the Secretary would agree to make the lender whole (to the

extent of the guarantee) if the borrowing firm defaulted. In the case of an agreement for deferred participation in a loan, the Secretary of Commerce would agree that at any fixed or determinable time after the making of the loan he would upon demand pay the lender (to the extent provided in the participation agreement) the unpaid balance outstanding at the time, thereby taking up a participation. In the case of a direct loan, the Secretary of Commerce would initially extend all or part of the credit to the borrowing firm and thereby become the firm's creditor. Section 314(a) also provides that the assumption of an outstanding indebtedness of a firm, with or without recourse, is considered to be a loan. For example, this will permit the Secretary of Commerce to render financial assistance to a firm by purchasing its obligations from one or more of the creditors of such firm.

Section 314(b) specifies that financial assistance may be provided to make funds available for the following purposes: for acquisition, construction, installation, modernization, development, conversion, or expansion of land, plant, buildings, equipment, facilities, or machinery; or, in cases determined by the Secretary of Commerce to be exceptional, to supply working capital. The term "working capital" includes funds for financing technical assistance.

Section 314(c) provides that, to the maximum extent practicable, the Secretary of Commerce is to furnish financial assistance under section 314 through Federal agencies furnishing financial assistance under other laws.

Section 315. Conditions for financial assistance

Section 315(a) provides that no loan is to be guaranteed and no agreement for deferred participation in a loan is to be made by the Secretary of Commerce in an amount exceeding 90 percent of that portion of the loan made for purposes specified in section 314(b). The word "portion" in subsection (a) has reference to the situation where the firm has obtained a loan in part for purposes other than those specified in section 314(b).

Section 315(b) prescribes a floor for interest rates on loans made by the Secretary of Commerce and deferred participations taken up by him. Subsection (b)(1) provides that such loans and deferred participations are to bear interest at a rate not less than the greater of (1) 4 percent per year, or (2) a rate determined by the Secretary of the Treasury for the year in which the loan is made or the deferred participation agreement is entered into.

Section 315(b)(2) provides that the rate of interest referred to above is to be determined annually by the Secretary of the Treasury, taking into consideration the current average market yields on outstanding interest-bearing marketable U.S. public-debt obligations having maturities comparable to those of the outstanding loans under section 314.

Section 315(c) provides that guarantees or deferred participation agreements are to be made by the Secretary of Commerce only with respect to loans bearing interest at a rate which he determines to be reasonable. However, the guaranteed portion of any loan (or the portion covered by a deferred participation agreement) is not to bear interest at a rate more than 1 percent per year above the rate specified as a floor in subsection (b) (determined when the guarantee is made or the agreement is entered into), unless the Secretary of Commerce

determines that special circumstances justify a higher rate, which may be not more than 2 percent above such floor. The floor referred to in the preceding sentence is the 4-percent rate referred to in subsection (b)(1)(A), or the rate determined under subsection (b)(1)(B), whichever is higher.

Section 315(d) provides that the Secretary of Commerce may make no loan or guarantee having a maturity in excess of 25 years, including renewals and extensions; and he may make no agreement for deferred participation in a loan which has a maturity in excess of 25 years, including renewals and extensions. The limitation on maturities is not to apply to (1) an extension or renewal for an additional period not exceeding 10 years if the Secretary of Commerce determines that such extension or renewal is reasonably necessary for the orderly liquidation of the loan, and (2) securities or obligations received by the Secretary of Commerce as claimant in bankruptcy or equitable reorganization or as creditor in other proceedings involving the insolvency of the obligor.

Section 315(e) provides that no financial assistance is to be provided under section 314 to a firm unless the Secretary of Commerce determines (1) that such assistance is not otherwise available to the firm from sources other than the United States on reasonable terms, and (2) that there is reasonable assurance of repayment by the borrower.

Section 315(f) requires maintenance of operating reserves for anticipated claims under guarantees and under deferred participation agreements. It is further provided that these reserves are to be considered obligations for fiscal purposes. This provision permits maintenance of fractional reserves for such purposes.

Section 316. Administration of financial assistance

Section 316(a) gives the Secretary of Commerce various powers in connection with the administration of financial assistance. It provides that, in making and administering guarantees, agreements for deferred participation, and loans, pursuant to section 314, the Secretary of Commerce may (1) require security, and enforce, waive, or subordinate such security; (2) assign or sell, or otherwise dispose of (upon such terms and conditions and for such consideration as he determines to be reasonable) any evidence of debt, contract, claim, personal property, or security assigned to or held by him in connection with guarantees, agreements, or loans, and he may collect, compromise, and obtain deficiency judgments with respect to all obligations assigned to or held by him in connection with such guarantees, agreements, or loans until such time as such obligations may be referred to the Attorney General for suit or collection; (3) renovate, improve, modernize, complete, insure, rent, sell, or otherwise deal with, upon such terms and conditions and for such consideration as he determines to be reasonable, any real or personal property conveyed to or otherwise acquired by him in connection with such guarantees, agreements, or loans; (4) acquire, hold, transfer, release, or convey any property or any interest therein, whenever deemed necessary or appropriate, and execute all legal documents for such purposes; and (5) exercise all such other powers and take all such other acts as may be necessary or incidental to the carrying out of functions pursuant to section 314.

Subsection (b) provides that any mortgage acquired as security under section 316(a) is to be recorded under applicable State law.

Section 317. Tax assistance

Section 317 provides, in general, for an extension of the net operating loss carryback period under section 172 of the Internal Revenue Code of 1954 from 3 years to 5 years for a firm certified for tax assistance by the Secretary of Commerce.

Section 317(a) provides that the Secretary of Commerce is to certify that a firm is eligible for the extended carryback if the three conditions provided in paragraphs (1), (2), and (3) are satisfied.

Paragraph (1) of section 317(a) relates to the application by a firm for tax assistance. In order to be eligible to apply for the 5-year carryback, a firm must first have had a proposal for its economic adjustment certified by the Secretary of Commerce pursuant to section 311 of the bill, and the application for tax assistance must be made in order to carry out such proposal. In its application for tax assistance, the firm must allege that it has sustained a net operating loss for a taxable year. The application must be submitted to the Secretary of Commerce within 24 months after the close of such taxable year.

The requirement of paragraph (2) of section 317(a) is satisfied only if the Secretary of Commerce determines that the net operating loss arose predominantly out of carrying on a trade or business which was seriously injured, during the year of the loss, by increased imports which the Tariff Commission has determined to result from concessions granted under trade agreements. This determination would be automatic where the firm carries on only one trade or business and where the Secretary of Commerce finds serious import injury to the firm in the loss year. Where more than one trade or business is carried on, however, the carryback (which is computed by combining all trades or businesses of the firm) would be available only if the Secretary of Commerce determined that the loss arose predominantly (that is, more than 50 percent) out of carrying on the import-injured trade or business.

The requirement of paragraph (3) of section 317(a) is satisfied only if the Secretary of Commerce finds that the 5-year carryback will materially contribute to the economic adjustment of the firm. It is intended that such a finding would be made only where substantially all of the refund (or refunds) resulting from the extended carryback will be used to carry out the economic adjustment of the firm in accordance with the adjustment proposal.

The last sentence of section 317(a) makes it clear that the determination or certification by the Secretary of Commerce is not determinative of either the existence or amount of any net operating loss for purposes of section 172 of the Internal Revenue Code of 1954.

Section 317(b) amends section 172(b) of the 1954 Code, relating to net operating loss carrybacks and carryovers, to provide an exception to the general statutory rule that net operating losses are to be carried back 3 years. As amended, paragraph (1)(B) of section 172(b) will (subject to the requirements of sec. 172(b)(3)) extend to five the number of years to which a net operating loss is to be carried back by a firm certified under section 317(a) of the bill. No change is made in the 5-year carryover provision of present subparagraph (B) of section 172(b)(1) except to redesignate such subparagraph as subparagraph (C).

The 5-year carryback will be available only with respect to net operating losses incurred in taxable years ending on or after December

31, 1962. Where the 5-year carryback applies to a net operating loss, such loss is to be carried back in its entirety to the fifth year preceding the taxable year of the loss and then carried in successive order to each of the other taxable years to which it may be carried.

The carryback or the carryover to any one of such other taxable years, and the taxable income of each of the taxable years through which such loss is carried, will be determined in the manner prescribed in paragraph (2) of section 172(b) of the 1954 Code. No changes (other than conforming amendments) have been made to such paragraph (2).

Paragraph (3) of section 172(b) of the 1954 Code provides special rules for applying the 5-year carryback of new section 172(b)(1)(B). Subparagraph (A) of new section 172(b)(3) imposes two conditions. If the two conditions have been satisfied, the 5-year carryback is to apply and the 3-year carryback is not to apply for the taxable year of the loss.

The first condition, provided under clause (i) of section 172(b)(3)(A) of the 1954 Code, relates to two filing requirements. The firm must file, with the Secretary of the Treasury or his delegate, a notice indicating that it has applied to the Secretary of Commerce for tax assistance. After the certification has been issued by the Secretary of Commerce pursuant to section 317(a) of the bill, the firm receiving it must file a copy of this certification with the Secretary of the Treasury or his delegate. The time and manner of filing both the notice and a copy of the certification are to be prescribed under regulations promulgated by the Secretary of the Treasury or his delegate.

The second condition, provided under clause (ii) of section 172(b)(3)(A) of the 1954 Code, requires the taxpayer to consent in writing to the assessment of any deficiency for any year to the extent attributable to the disallowance of a net operating loss deduction previously allowed with respect to the same net operating loss for which a 5-year carryback is being sought. This assessment period may be extended to any time to which the taxpayer and the Secretary of the Treasury or his delegate may agree. The consent will extend the assessment period even though the assessment of the deficiency would otherwise be prevented by the operation of any law or rule of law at the time of filing the consent. This consent will be required when the Secretary of the Treasury or his delegate deems it necessary to prevent a possible double recovery of tax on account of the same net operating loss (for example in a case involving res judicata).

Subparagraph (B) of section 172(b)(3) provides that, in the case of (i) a partnership and its partners, and (ii) an electing small business corporation under subchapter S of chapter 1 of the 1954 Code (and the shareholders of such corporation), paragraph (1)(B) of section 172(b) (that is, the 5-year carryback provision) is to apply as determined under regulations prescribed by the Secretary of the Treasury or his delegate.

The 5-year carryback under section 172(b)(1)(B) applies to a net operating loss of a partner or a shareholder in an electing small business corporation under subchapter S only if it arose predominantly (that is, more than 50 percent) from losses in respect of which certifications under section 317 of the bill were filed as provided under section 172(b)(3)(A). If the net operating loss did arise predominantly from losses in respect of which certifications were filed, then the entire net

operating loss of the partner or shareholder will be carried back 5 years even though part of the net operating loss is not attributable to such losses. If the net operating loss did not rise predominantly from such losses, then no part of the net operating loss will be carried back 5 years.

If a corporation to which a certification under section 317(a) has been issued was a member of an affiliated group which made or was required to make a consolidated return either for the loss year or for any preceding taxable year, the 5-year carryback will apply only to the extent and subject to the conditions, limitations, and exceptions provided in the regulations which may be prescribed under the authority contained in chapter 6 of the 1954 Code (relating to consolidated returns).

Section 317(c) amends section 6501(h) of the 1954 Code, relating to limitations on assessment and collection of deficiencies in the case of net operating loss carrybacks. Under the amendment, the period for assessing a deficiency which is attributable to the application to the taxpayer of a net operating loss carryback is not to expire before 18 months after the date on which the taxpayer files (in such manner as may be prescribed by the Secretary of the Treasury or his delegate) a copy of the certification issued by the Secretary of Commerce under section 317(a).

Section 317(d) amends section 6511(d)(2)(A) of the 1954 Code, relating to a special period of limitation on credits or refunds with respect to net operating loss carrybacks. Under the amendment, the period within which a claim for credit or refund of an overpayment of tax must be filed by the taxpayer will not expire before the expiration of the sixth month following the month in which the certification provided in section 317(a) is issued to the taxpayer by the Secretary of Commerce.

Tentative carryback adjustments for the fourth and fifth years preceding the taxable year of the net operating loss may be applied for under section 6411 of the 1954 Code. If such application is accompanied by a copy of the certification issued under section 317(a) and if the requirements of section 6411 are complied with, such application will be allowed in the same time and manner as under existing section 6411.

Section 318. Protective provisions

Section 318(a) requires each recipient of adjustment assistance under section 313, 314, or 317 to keep records which fully disclose the amount and disposition of the proceeds, if any, of such adjustment assistance, and which will facilitate an effective audit. The recipient must also keep such other records as the Secretary of Commerce may prescribe.

Section 318(b) provides that the Secretary of Commerce and Comptroller General are to have access, for the purpose of audit and examination, to any books, documents, papers, and records of the recipient pertaining to adjustment assistance under sections 313, 314, and 317.

Section 318(c) prohibits the giving of adjustment assistance under section 313, 314, or 317, to any firm unless the owners, partners, or officers certify to the Secretary of Commerce (1) the names of any attorneys, agents, and other persons engaged by or on behalf of the

firm for the purpose of expediting applications for such adjustment assistance, and (2) the fees paid or to be paid to any such person.

Section 318(d) prescribes that no financial assistance is to be provided to any firm under section 314 unless the owners, partners, or officers execute an agreement with respect to hiring or retaining the services of certain individuals holding positions, or engaging in activities, involving discretion with respect to the provision of such financial assistance. The agreement must bind them and the firm for a period of 2 years after such financial assistance is provided.

Section 319. Penalties

Section 319 provides penalties for knowingly making a false statement of, or knowingly failing to disclose, a material fact, or willfully overvaluing any security, for the purpose of influencing in any way the action of the Secretary of Commerce under chapter 2 of title III of the bill, or for the purpose of obtaining money, property, or anything of value under such chapter. Any such offense is punishable by a fine of not more than $5,000 or imprisonment for not more than 2 years, or both.

Section 320. Suits

Section 320 provides that, in furnishing technical and financial assistance under sections 313 and 314, the Secretary of Commerce may sue and be sued in any court of record of a State having general jurisdiction or in any U.S. district court. Jurisdiction is conferred upon U.S. district courts to determine such controversies without regard to the amount in controversy. Section 320 provides that no attachment, injunction, garnishment, or other similar process, mesne or final, is to be issued against the Secretary of Commerce or his property. Section 320 also insures the applicability of certain laws concerning (1) the supervision by the Attorney General of all litigation to which the United States is a party (28 U.S.C. 507(b)), (2) the exclusiveness of the Tort Claims Act (28 U.S.C. 2679), and (3) the functions of the Solicitor General (5 U.S.C. 316).

Chapter 3—Assistance to Workers

Section 321. Authority

Section 321 designates the Secretary of Labor as the Federal official responsible for determining whether applicants are entitled to receive assistance under chapter 3 of title III of the bill and for paying or providing such assistance. The Secretary of Labor is expected to make the fullest possible use of the State employment security agencies in taking individual applications and making the weekly payments.

SUBCHAPTER A—TRADE READJUSTMENT ALLOWANCES

Section 322. Qualifying requirements

Section 322 describes the weeks of unemployment for which trade readjustment allowances may be paid, and the qualifications the worker must meet. Under its provisions allowances are to be paid for weeks of unemployment (as defined in sec. 338(14)) to an adversely affected worker (as defined in sec. 338(2)) who applies for them and meets the specified requirements.

Section 322(a) provides that, for a worker to be compensated, the week of unemployment must begin after the date determined under section 302(d) as the date on which, as the result of increased imports, the unemployment or underemployment began or threatened to begin. Such week of unemployment must also begin more than 30 days after the date of the enactment of the bill.

Section 322(b) provides that the worker must have been totally or partially separated from the firm after the date of the enactment of the bill and after the date determined under section 302(d). Such separation must be within 2 years of the date on which the most recent certification of eligibility to apply for assistance is made under section 302(b) (2) or (c) and before the termination date (if any) specified under section 302(e).

Section 322(c) provides that to be entitled to trade readjustment allowances, the worker must have had substantial employment over the 3 years immediately preceding his total or partial separation. He must have earned wages of $15 or more in at least half the weeks of those 3 years. In the 52 weeks preceding such separation, he must have had 26 weeks of employment, at wages of at least $15 a week, in a firm or firms any of the employees of which have been certified under section 302 as eligible to apply for adjustment assistance.

If data on a weekly basis is not available to determine whether or not an individual earned at least $15 in the required number of weeks during the 156-week period, or the 52-week period, section 322(c) provides that, under regulations prescribed by the Secretary of Labor, other data may be used to determine whether the individual had equivalent amounts of employment.

Section 323. Weekly amounts

Section 323(a) provides the general rule that the trade readjustment allowance for a week is to be 65 percent of the individual's "average weekly wage" (as defined in sec. 338(4)), or 65 percent of the "average weekly manufacturing wage" (as defined in sec. 338(3)), whichever is less, reduced by 50 percent of the amount of his "remuneration" (as defined in sec. 338(7)) for services performed during such week.

Section 323(b) provides that an adversely affected worker may receive trade readjustment allowances for weeks while he is attending training approved by the Secretary of Labor. The trade readjustment allowance is to be in lieu of any training allowance under any other Federal law for the training of workers. (This would not include a Federal law for the training of veterans.) Section 323(b) provides, however, that if, under another Federal law for the training of workers, an adversely affected worker who is taking training could receive a higher payment, his trade readjustment allowance for a week of training will be increased to such higher amount.

Section 323(c)(1) provides for reduction in the weekly trade readjustment allowance by the amount of any unemployment insurance to which an adversely affected worker is entitled for that week, or would have been entitled if there were no trade readjustment allowance program, regardless of whether he has filed a claim for the unemployment insurance.

Section 323(c)(2) provides for reduction in the amount of the weekly trade readjustment allowance payable to an adversely affected worker who is taking approved training by any amount of unemploy-

ment insurance which he has received or is seeking for the week. However, if the appropriate State or Federal agency finally determines that the worker was not entitled to unemployment insurance for such week, the reduction will not apply for that week.

Section 323(d) provides that if unemployment insurance, or a training allowance under the Manpower Development and Training Act of 1962 or the Area Redevelopment Act, is payable to an adversely affected worker for weeks for which he would have been entitled to trade readjustment allowances if he had applied for such allowances, the number of weeks for which he may receive trade readjustment allowances is reduced by the number of weeks for which such unemployment insurance or such training allowances are payable. Under this section, if his trade readjustment allowance for a week is greater than the payment he actually received, he will be paid the additional amount for each of the earlier weeks. This section also provides that in determining whether a worker would have been entitled to a trade readjustment allowance for a week for which he received State unemployment insurance or a Federal training allowance, his entitlement is to be determined without regard to the provisions of subsections (c) and (e) of section 323 and any disqualification under section 327.

Section 323(e) provides for reduction in the amount of the weekly trade readjustment allowance whenever, with respect to any week of unemployment, the total amount payable as remuneration for services, unemployment insurance, training allowance, and trade readjustment allowance would exceed 75 percent of average weekly wage. The reduction is to be the amount of such excess. The reduction under this section applies to any trade readjustment allowance determined under subsection (a) or (b) of section 323.

Section 323(f) provides that any weekly payment to be made under section 323 which is not a whole dollar is to be rounded upward to the next higher whole dollar amount.

Section 323(g) provides that if an adversely affected worker is paid unemployment insurance for a week during which he is undergoing approved training, the State is to be reimbursed for the unemployment insurance, to the extent that the payment does not exceed the trade readjustment allowance. The reimbursement is to be made from sums appropriated to the Secretary of Labor to carry out his functions under chapter 3 of title III of the bill. The amount of such reimbursement will be determined by the Secretary of Labor on the basis of reports furnished him by the State agency. The amount reimbursed will be placed in the Unemployment Trust Fund to the credit of the State's account.

Section 324. Time limitations on trade readjustment allowances

Section 324(a) provides that an adversely affected worker may receive trade readjustment allowances for not more than 52 weeks, with two exceptions: Paragraph (1) provides that such a worker who is taking approved training may receive up to 26 additional weeks of allowance to assist him to complete his training. Paragraph (2) provides that an adversely affected worker who was at least 60 years old at separation is entitled to 13 additional weeks. Paragraphs (1) and (2) are mutually exclusive, so that a worker who receives an additional payment under one paragraph may not thereafter receive a payment under the other paragraph.

Section 324(b) provides that trade readjustment allowances (other than for the additional 26 or 13 weeks) may be paid only for weeks of unemployment beginning within 2 years (104 weeks) after the beginning of the appropriate week. The additional 26 or 13 weeks of trade readjustment allowances may be paid only for weeks of unemployment beginning within 3 years after the beginning of the appropriate week. For a worker totally separated, the appropriate week is the week of his most recent total separation; for a worker partially separated, the appropriate week is the first week for which he received a trade readjustment allowance following his most recent partial separation.

It should be noted that, in the case of a week of unemployment beginning more than 2 years (and not more than 3 years) after the beginning of the appropriate week, payment may be made pursuant to the additional week authority (whether 26 weeks or 13 weeks) to an individual who otherwise qualifies for such payment even though, during the 2-year period preceding such third year, such individual received trade readjustment allowances for less than 52 weeks.

Section 325. Application of State laws

Section 325 provides that, except where inconsistent with chapter 3 and subject to regulations of the Secretary of Labor, the availability and disqualification provisions of State unemployment insurance laws are to apply to workers filing claims for trade readjustment allowances. If the worker is entitled to unemployment insurance (whether or not he claims it) under any State law, that law is applied to his trade readjustment allowance claim for this purpose. If he is not entitled to unemployment insurance, the applicable law is that of the State in which he was separated. The State law will remain applicable in the case of any separation until the worker becomes entitled to unemployment insurance under the law of another State (whether or not he has filed a claim for such insurance).

It should be noted that State law provisions disqualifying a worker because he is taking training would be inconsistent with the provisions of chapter 3 of title III of the bill and not applicable. In general, State law disqualifications which cancel some or all of a worker's benefit rights would also be inconsistent with chapter 3. The worker is entitled to the rights provided by the bill; and, although such rights may be postponed as a result of applying State law disqualifications, trade readjustment allowance rights may not be canceled.

SUBCHAPTER B—TRAINING

Section 326. In general

Section 326(a) provides that every effort is to be made to return adversely affected workers to full employment through whatever testing, counseling, training, and placement services are available under any Federal law. If the training provided is not within commuting distance of the worker's residence, section 326(a) authorizes payment to defray transportation and subsistence expenses. The subsistence expense allowance may not exceed $5 a day, and the transportation expense may not be at a rate in excess of 10 cents a mile.

Section 326(b) provides that before referring adversely affected workers to training, the Secretary of Labor shall, to the extent practicable, consult with the workers' firm and their certified or recognized union or other duly authorized representative and develop a worker retraining plan which provides for training such workers to meet the firm's manpower needs.

Section 327. Disqualification for refusal of training, etc.

Section 327 denies trade readjustment allowances to a worker who, without good cause, (1) refuses to accept suitable training to which he is referred by the Secretary of Labor, (2) refuses to continue attending the course, or (3) fails to make satisfactory progress in the course. The denial of allowances continues until he accepts or resumes training to which he has been referred by the Secretary of Labor.

SUBCHAPTER C—RELOCATION ALLOWANCES

Section 328. Relocation allowances afforded

Section 328, in effect, limits the class of adversely affected workers who may file applications for relocation allowances. In order to file an application the worker must be the head of a family (as defined in regulations to be prescribed by the Secretary of Labor) and must be totally separated from adversely affected employment.

Section 329. Qualifying requirements

Section 329(a) provides that a relocation allowance may be paid only for a move within the United States (as defined in sec. 338(8)). Section 329(a) also provides that such an allowance may be paid only if the Secretary of Labor determines that the worker receiving the allowance does not have reasonable prospects for suitable employment in the commuting area in which he resides, and that either he has a suitable job elsewhere which affords reasonable expectation of long duration, or he has a bona fide offer of such a job.

Section 329(b) authorizes payment of a relocation allowance only if, for the week in which a worker applies for such allowance, he is entitled to a trade readjustment allowance, or would be so entitled if it were not for the job to which he wants to move. For this purpose, entitlement to a trade readjustment allowance is to be determined without regard to reductions under subsections (c) and (e) of section 323. This section also provides that to be entitled to a relocation allowance, the individual must relocate within a reasonable time after he applies. If the applicant is a worker who has been referred to training by the Secretary of Labor, he must relocate within a reasonable time after the conclusion of such training.

Section 330. Relocation allowances defined

Section 330 defines "relocation allowance" as including (1) the reasonable and necessary expenses (as specified in regulations to be prescribed by the Secretary of Labor) incurred in transporting the worker, his family, and their household effects from their present location to that of the new job, and (2) a lump-sum payment equivalent to 2½ times the average weekly manufacturing wage.

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SUBCHAPTER D—GENERAL PROVISIONS

Section 331. Agreements with States

Section 331(a) authorizes the Secretary of Labor to enter into an agreement with a State (or with the agency administering the unemployment insurance law of such State) under which the State agency will act as agent of the United States in receiving applications for assistance under chapter 3 of title III of the bill and in providing such assistance. The State agency will also, where appropriate, afford adversely affected workers who apply for assistance testing, counseling, referral to training, and placement services, and will otherwise cooperate with the Secretary of Labor and with other State and Federal agencies in providing assistance under such chapter 3.

Section 331(b) requires each agreement to provide the terms and conditions under which it may be amended, suspended, or terminated.

Section 331(c) requires each agreement to provide that unemployment insurance otherwise payable to any adversely affected worker will not be denied or reduced for any week by reason of any right to allowances under chapter 3 of title III of the bill.

Section 332. Payments to States

Section 332(a) provides that the Secretary of Labor will certify periodically to the Secretary of the Treasury for payment to each State which has an agreement under chapter 3 of title III of the bill the sums necessary to enable the State to make the payments of allowances provided by chapter 3.

Section 332(b) requires the States to use the money received under section 332 only for the purposes for which it is paid. It provides further that any money not so used must be returned to the Treasury to be applied to current applicable appropriations, funds, or accounts from which payments to States under section 332 are made.

Section 332(c) relates to the furnishing of surety bonds to the United States in such amounts as the Secretary of Labor may deem necessary.

Section 333. Liabilities of certifying and disbursing officers

Section 333(a) relieves designated certifying officers, in the absence of gross negligence or intent to defraud the United States, from liability with respect to the payment of allowances certified by them under chapter 3 of title III of the bill. Section 333(b) provides similar relief from liability for a disbursing officer with respect to any payment by him under chapter 3 if the payment was based upon a voucher signed by a designated certifying officer.

Section 334. Recovery of overpayments

Section 334(a) provides for the recovery of payments to any person received as the result of a false statement of, or knowing failure to disclose, a material fact by requiring repayment or by deductions from future allowances payable to him under chapter 3. Recovery may be pursuant to a finding of a court of competent jurisdiction or (after the worker has been given an opportunity for a fair hearing) by a State agency or the Secretary of Labor.

Section 334(b) provides that any amount repaid to a State agency is to be deposited in the fund from which payment was made, and any amount repaid to the Secretary of Labor is to be credited to the cur-

rent applicable appropriation, fund, or account from which such payment was made.

Section 335. Penalties

Section 335 imposes penalties on any person for knowingly making false statements of, or failing to disclose, material facts for the purpose of obtaining or increasing for himself or any other person any payment or assistance authorized to be furnished under chapter 3 of title III of the bill or under an agreement thereunder. Any such offense is punishable by a fine of not more than $1,000 or imprisonment for not more than 1 year, or both.

Section 336. Review

Section 336 provides that determinations under chapter 3 of title III of the bill as to the entitlement of individuals to assistance are final and conclusive and not subject to review, except as the Secretary of Labor may by regulation provide. The second sentence of section 336 provides that, to the maximum extent practicable and consistent with the purposes of chapter 3 of title III of the bill, the regulations shall provide for review of State agency determinations in the same manner and to the same extent as determinations under the State unemployment insurance law.

Section 337. Authorization of appropriations

Section 337 authorizes the appropriation to the Secretary of Labor of the sums necessary to carry out his functions under chapter 3 of title III of the bill. Sums so appropriated may be made available until they are expended.

Section 338. Definitions

Section 338 contains definitions of certain terms used in chapter 3 of title III of the bill.

(1) *Adversely affected employment.*—Paragraph (1) defines "adversely affected employment" as employment in a firm or appropriate subdivision of a firm, if workers of such firm or subdivision are eligible to apply for adjustment assistance under chapter 3 of title III of the bill; that is, if under chapter 1 of title III a certification has been made that imports have caused or threatened to cause significant unemployment or underemployment in the firm or subdivision.

(2) *Adversely affected worker.*—Paragraph (2) defines an "adversely affected worker" as a worker who, because of lack of work in adversely affected employment, has been totally or partially separated from such employment or has been totally separated from employment in another part of the firm if lack of work in the adversely affected part resulted in his total separation.

(3) *Average weekly manufacturing wage.*—Paragraph (3) defines "average weekly manufacturing wage" as the national gross average weekly earnings of production workers in manufacturing industries for the latest calendar year officially published annually by the Bureau of Labor Statistics of the Department of Labor before the period for which the assistance is furnished.

(4) *Average weekly wage.*—Paragraph (4) defines "average weekly wage" as one-thirteenth of the total wages paid to a worker in the quarter in which his total wages were highest among the first four of the last five completed calendar quarters immediately preceding the quar-

ter in which occurs the week in which he was totally separated or, if partially separated, the appropriate week as defined in regulations to be prescribed by the Secretary of Labor.

(5) *Average weekly hours.*—Paragraph (5) defines "average weekly hours" as the average hours worked by the individual in the employment from which he has been or claims to have been separated; the average is figured for those of the 52 weeks preceding the appropriate week (as defined by the regulations of the Secretary of Labor) during which he was so employed. Excluded from the computation are overtime hours, and weeks during which the individual was sick or on vacation.

(6) *Partial separation.*—Paragraph (6) defines "partial separation" as a reduction in adversely affected employment of a worker's hours of work to 80 percent or less of his average weekly hours (in adversely affected employment) and a reduction in his wages to 75 percent or less of his average weekly wage (in adversely affected employment).

(7) *Remuneration.*—Paragraph (7) defines "remuneration" as both wages and net earnings from services performed as a self-employed individual.

(8) *State.*—Paragraph (8) defines "State" as including, in addition to the 50 States of the Union, the District of Columbia and the Commonwealth of Puerto Rico. It also defines "United States," when used in a geographical sense, as including such Commonwealth.

(9) *State agency.*—Paragraph (9) defines "State agency" as the agency of the State which administers the State law.

(10) *State law.*—Paragraph (10) defines "State law" as the unemployment insurance law of a State approved by the Secretary of Labor under section 3304 of the Internal Revenue Code of 1954.

(11) *Total separation.*—Paragraph (1) defines "total separation" as the layoff or severance of a worker from employment with a firm in which adversely affected employment exists.

(12) *Unemployment insurance.*—Paragraph (12) defines "unemployment insurance" as unemployment insurance payable to a worker under any State law or Federal unemployment insurance law, including title XV of the Social Security Act, the Railroad Unemployment Insurance Act, and the Temporary Extended Unemployment Compensation Act of 1961.

(13) *Week.*—Paragraph (13) defines "week" as a week as defined in the applicable State law.

(14) *Week of unemployment.*—Paragraph (14) defines "week of unemployment" as a week for which the individual's remuneration for services performed during such week is less than 75 percent of his average weekly wage, and in which, because of lack of work (A) if he has been totally separated, he worked less than the full-time week in his current occupation, or (B) if he has been partially separated, he worked 80 percent or less of his average weekly hours.

Chapter 4—Tariff Adjustment

Section 351. Authority

Section 351(a)(1) provides that after receiving an affirmative finding of the Tariff Commission under section 301(b) with respect to an industry, the President may proclaim such increase in, or imposition of, any duty or other import restriction on the article causing or threaten-

ing to cause serious injury to such industry as the President determines to be necessary to prevent or remedy serious injury to such industry. The term "duty or other import restriction" is defined in paragraph (2) of section 405. Accordingly, tariff adjustment which the President is authorized to provide for an industry includes the increase in or imposition of a limitation, prohibition, charge, or exaction other than duty, imposed on importation or for the regulation of imports of the article involved. The President is not bound by the Tariff Commission's affirmative finding of injury under section 301(b), nor by the Commission's finding under section 301(e) as to the action necessary to prevent or remedy injury.

Section 351(a)(2) provides that if the President does not within 60 days after the date on which he receives such affirmative finding, proclaim that increase in, or imposition of, any duty or other import restriction on such article which was found and reported by the Tariff Commission pursuant to section 301(e)—

(A) The President shall immediately submit a report to the House of Representatives and to the Senate stating why he has not proclaimed such increase or imposition; and

(B) Such increase or imposition found and reported by the Tariff Commission shall take effect upon the adoption by both Houses of the Congress, by the yeas and nays by the affirmative vote of a majority of the authorized membership of each House, of a concurrent resolution stating in effect that the Senate and House of Representatives approve the increase in, or imposition of, any duty or other import restriction on the article found and reported by the Tariff Commission.

The adoption of the concurrent resolution must occur within the 60-day period following the date on which the President submits his report to the House of Representatives and the Senate, referred to in subparagraph (A). In computing the 60-day period, days on which either House is not in session because of an adjournment of more than 3 days to a day certain or an adjournment of the Congress sine die are to be excluded.

Section 351(a)(3) provides, in effect, that if a concurrent resolution is adopted by both Houses of the Congress, as provided in subsection (a)(2), the President is required, within 15 days after the adoption of the resolution, to proclaim the particular action found and reported to be necessary by the Tariff Commission.

Section 351(a)(4) provides that the President may, within 60 days after the date on which he receives an affirmative finding of the Tariff Commission under section 301(b) with respect to an industry, request additional information from the Tariff Commission. The Tariff Commission is required, as soon as practicable but in no event more than 120 days after the date on which it receives the President's request, to furnish additional information with respect to such industry in a supplemental report. The date on which the President receives such supplemental report is to be treated as though it were the date on which the President received an affirmative finding of the Tariff Commission, for purposes of computing the time periods specified in subsection (a)(2).

Section 351(b) prescribes the limits on increases or impositions of duties which the President may proclaim in providing tariff adjustment pursuant to subsection (a). No proclamation may be made

increasing any rate of duty to a rate more than 50 percent above the rate existing on July 1, 1934; or, in the case of an article not subject to duty, imposing a duty in excess of 50 percent ad valorem. The term "existing on July 1, 1934" as used here is defined in paragraph (5) of section 256.

Section 351(c) relates to the reduction or termination, or the extension, of any increase in or imposition of any duty or other import restriction proclaimed pursuant to section 351 or section 7 of the Trade Agreements Extension Act of 1951.

Paragraph (1)(A) authorizes the President to reduce or terminate such a duty or other import restriction whenever he determines that such a reduction or termination is in the national interest. The President is required before making such a determination to take into account the advice received from the Tariff Commission under subsection (d)(2) and to seek the advice of both the Secretary of Commerce and the Secretary of Labor.

Paragraph (1)(B) provides for a termination date of any duty or other import restriction proclaimed under section 351 or section 7 of the 1951 act, unless extended as provided under paragraph (2) of section 351(c). Such duty or other import restriction is to terminate not later than the close of the date which is 4 years after the effective date of the initial proclamation or the date of enactment of the bill, whichever date is the later.

Paragraph (2) provides that the duty or other import restriction proclaimed under section 351 or under section 7 of the 1951 act may be extended in whole or in part by the President for such periods as he may designate, but not in excess of 4 years at any one time, if he determines that such extension is in the national interest. Before making such a determination, he is required to take into account the advice received from the Tariff Commission under subsection (d)(3) and to seek the advice of both the Secretary of Commerce and the Secretary of Labor.

Section 351(d)(1) provides that the Tariff Commission is to keep under review developments with respect to the industry concerned, so long as any increase in, or imposition of, any duty or other import restriction proclaimed pursuant to section 351 or section 7 of the Trade Agreements Extension Act of 1951 remains in force. The Tariff Commission is further required to make periodic reports to the President concerning such developments.

Section 351(d)(2) provides for submission by the Tariff Commission, upon the President's request, of the advice referred to in subparagraph (A) of subsection (c)(1), of its judgment as to the probable economic effect on the industry concerned of the reduction or termination of the increase or imposition which has been proclaimed under section 351 or section 7 of the 1951 act.

Section 351(d)(3) provides that the Tariff Commission will advise the President of its judgment as to the probable economic effect on the industry concerned of the termination of any increase or imposition if a petition is filed on behalf of the industry concerned with the Tariff Commission not earlier than 9 months and not later than 6 months before such termination is to occur.

Section 351(d)(4) provides that in advising the President under section 351(d) the Tariff Commission is to take into account all economic factors which it considers relevant, including idling of

productive facilities, inability to operate at a profit, and unemployment or underemployment.

Section 351(d)(5) provides that advice by the Tariff Commission under section 351(d) is to be given on the basis of an investigation during the course of which the Commission is to hold a hearing at which interested persons are to be given a reasonable opportunity to be present, to produce evidence, and to be heard.

Section 351(e) provides that as soon as practicable the President is to take such action as he determines to be necessary to bring trade agreements entered into under section 350 of the Tariff Act of 1930 into conformity with the provisions of section 351 of the bill. No trade agreement may be entered into under section 201(a) unless such agreement permits action in conformity with the provisions of section 351.

Chapter 5—Advisory Board

Section 361. Adjustment Assistance Advisory Board

Section 361(a) creates the Adjustment Assistance Advisory Board, which shall consist of the Secretary of Commerce, as Chairman, and the Secretaries of the Treasury, Agriculture, Labor, Interior, and Health, Education, and Welfare, the Administrator of the Small Business Administration, and such other officers as the President deems appropriate.

Section 361(b) provides that, at the request of the President, the Board is to advise him and the Departments of Commerce and Labor, as well as the other Federal agencies furnishing adjustment assistance to firms and workers, on the development of coordinated programs for such assistance.

Section 361(c) provides that the Chairman may appoint for any industry an industry committee composed of members representing employers, workers, and the public, for the purpose of advising the Adjustment Assistance Advisory Board. It also makes applicable to members of such committees the provisions of section 1003 of the National Defense Education Act, which provide certain exemptions from the operation of conflict-of-interest laws.

TITLE IV—GENERAL PROVISIONS

Section 401. Authorities

Section 401 gives certain authorities to the head of any Federal agency performing functions under the bill. He may authorize the head of any other agency to perform any of his functions, he may prescribe rules and regulations, and he may procure and pay for the temporary or intermittent services of experts or consultants, subject to certain conditions.

Section 402. Reports

Section 402(a) requires the President to transmit annually to Congress a report on the trade agreements program and on tariff adjustment and other adjustment assistance under the bill. Specifically, the report is to include information regarding new negotiations, changes made in duties and other import restrictions of the United States, reciprocal concessions obtained, changes in trade agreements which were made in order to effectuate more fully the purposes of the trade

agreements program (including the incorporation in existing agreements of escape clauses), the results of action taken to obtain removal of unjustifiable foreign trade restrictions (including discriminatory restrictions) against U.S. exports, remaining restrictions, and the measures available to seek their removal in accordance with the purposes of the bill, and other information relating to the trade agreements program in general and specifically to the agreements entered into thereunder.

Section 402(b) provides that the Tariff Commission is to submit to the Congress at least once each year a factual report on the operation of the trade agreements program.

Section 403. Tariff Commission

Section 403(a) provides that the Tariff Commission may conduct preliminary investigations, determine the scope and manner of its proceedings, and consolidate proceedings.

Section 403(b) provides that, in performing functions under the bill, the Tariff Commission may exercise any authority granted to it under any other act.

Section 403(c) provides that the Tariff Commission is to keep informed at all times concerning the operation and effect of provisions relating to duties or other import restrictions of the United States contained in trade agreements entered into under the trade agreements program.

Section 404. Separability

Section 404 is a separability provision, designed to ensure that the invalidity of one provision of the bill will not render the whole bill invalid.

Section 405. Definitions

Section 405 defines a number of terms used in the bill.

Paragraph (1) provides that the term "agency" includes any agency, department, board, wholly or partly owned corporation, instrumentality, commission, or establishment of the United States.

Paragraph (2) defines the term "duty or other import restriction" as including (A) the rate and form of any import duty, and (B) a limitation, prohibition, charge, and exaction other than duty, imposed on importation or imposed for the regulation of imports. Where the modification of a rate of duty requires the subdivision of an existing classification, such subdivision is to be regarded as part of the act of modification.

Paragraph (3) in effect provides that the term "firm" includes any kind of legal entity, and provides for treating a firm and its predecessor, successor, or affiliate as one firm where it is necessary to do so in order to prevent unjustifiable benefits. This definition is concerned with the legal form of "firm" and does not relate to the kind of activity in which the firm may be engaged. Thus a "firm" may be engaged in manufacturing, farming, fishing, mining, or any other kind of commercial activity.

Paragraph (4) is intended to suggest a somewhat broader interpretation of "directly competitive with" than has been applied to like words in existing law, by defining the phrase to embrace the competition presented by an article at an earlier or later stage of processing as well as by a like article in the same stage of processing. The definition makes clear that an unprocessed article may be regarded as

an article at an earlier stage of processing. The term "earlier or later stage of processing" contemplates that the article remains substantially the same during such stages of processing, and is not wholly transformed into a different article.

Paragraph (5) provides that a product of a country is an article which is the growth, produce, or manufacture of such country.

Paragraph (6) is intended to make clear that the term "modification", as applied to any duty or other import restriction, includes the elimination of any duty, as well as an increase in, or reduction of, any duty or other import restriction.

VII—Changes In Existing Law Made By the Bill, As Reported

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

SECTION 350 OF THE TARIFF ACT OF 1930

Part III—Promotion of Foreign Trade

Sec. 350. (a)(1) For the purpose of expanding foreign markets for the products of the United States (as a means of assisting in establishing and maintaining a better relationship among various branches of American agriculture, industry, mining, and commerce) by regulating the admission of foreign goods into the United States in accordance with the characteristics and needs of various branches of American production so that foreign markets will be made available to those branches of American production which require and are capable of developing such outlets by affording corresponding market opportunities for foreign products in the United States, the President, whenever he finds as a fact that any existing duties or other import restrictions of the United States or any foreign country are unduly burdening and restricting the foreign trade of the United States and that the purpose above declared will be promoted by the means hereinafter specified, is authorized from time to time—

(A) To enter into foreign trade agreements with foreign governments or instrumentalities thereof: *Provided*, That the enactment of the Trade Agreements Extension Act of 1955 shall not be construed to determine or indicate the approval or disapproval by the Congress of the executive agreement known as the General Agreement on Tariffs and Trade.

(B) To proclaim such modifications of existing duties and other import restrictions, or such additional import restrictions, or such continuance, and for such minimum periods, of existing customs or excise treatment of any article covered by foreign trade agreements, as are required or appropriate to carry out any foreign trade agreement that the President has entered into hereunder.

(2) No proclamation pursuant to paragraph (1)(B) of this subsection shall be made—

(A) Increasing by more than 50 per centum any rate of duty existing on July 1, 1934; except that a specific rate of duty

existing on July 1, 1934, may be converted to its ad valorem equivalent based on the value of imports of the article concerned during the calendar year 1934 (determined in the same manner as provided in subparagraph (D)(ii)) and the proclamation may provide an ad valorem rate of duty not in excess of 50 per centum above such ad valorem equivalent.

(B) Transferring any article between the dutiable and free lists.

(C) In order to carry out a foreign trade agreement entered into by the President before June 12, 1955, or with respect to which notice of intention to negotiate was published in the Federal Register on November 16, 1954, decreasing by more than 50 per centum any rate of duty existing on January 1, 1945.

(D) In order to carry out a foreign trade agreement entered into by the President on or after June 12, 1955, and before July 1, 1958, decreasing (except as provided in subparagraph (C) of this paragraph) any rate of duty below the lowest of the following rates:

(i) The rate 15 per centum below the rate existing on January 1, 1955.

(ii) In the case of any article subject to an ad valorem rate of duty above 50 per centum (or a combination of ad valorem rates aggregating more than 50 per centum), the rate 50 per centum ad valorem (or a combination of ad valorem rates aggregating 50 per centum). In the case of any article subject to a specific rate of duty (or a combination of rates including a specific rate) the ad valorem equivalent of which has been determined by the President to have been above 50 per centum during a period determined by the President to be a representative period, the rate 50 per centum ad valorem or the rate (or a combination of rates), however stated, the ad valorem equivalent of which the President determines would have been 50 per centum during such period. The standards of valuation contained in section 402 or 402a of this Act (as in effect, with respect to the article concerned, during the representative period) shall be utilized by the President, to the maximum extent he finds such utilization practicable, in making the determinations under the preceding sentence.

(E) In order to carry out a foreign trade agreement entered into by the President on or after July 1, 1958, decreasing any rate of duty below the lowest of the rates provided for in paragraph (4)(A) of this subsection.

(3)(A) Subject to the provisions of subparagraphs (B) and (C) of this paragraph and of subparagraph (B) of paragraph (4) of this subsection, the provisions of any proclamation made under paragraph (1)(B) of this subsection, and the provisions of any proclamation of suspension under paragraph (5) of this subsection, shall be in effect from and after such time as is specified in the proclamation.

(B) In the case of any decrease in duty to which paragraph (2)(D) of this subsection applies—

(i) if the total amount of the decrease under the foreign trade agreement does not exceed 15 per centum of the rate existing on January 1, 1955, the amount of decrease becoming initially effec-

tive at one time shall not exceed 5 per centum of the rate existing on January 1, 1955;

(ii) except as provided in clause (i), not more than one-third of the total amount of the decrease under the foreign trade agreement shall become initially effective at one time; and

(iii) no part of the decrease after the first part shall become initially effective until the immediately previous part shall have been in effect for a period or periods aggregating not less than one year.

(C) No part of any decrease in duty to which the alternative specified in paragraph (2)(D)(i) of this subsection applies shall become initially effective after the expiration of the three-year period which begins on July 1, 1955. If any part of such decrease has become effective, then for purposes of this subparagraph any time thereafter during which such part of the decrease is not in effect by reason of legislation of the United States or action thereunder shall be excluded in determining when the three-year period expires.

(D) If (in order to carry out a foreign trade agreement entered into by the President on or after June 12, 1955) the President determines that such action will simplify the computation of the amount of duty imposed with respect to an article, he may exceed any limitation specified in paragraph (2) (C) or (D) or paragraph (4) (A) or (B) of this subsection or subparagraph (B) of this paragraph by not more than whichever of the following is lesser:

(i) The difference between the limitation and the next lower whole number, or

(ii) One-half of 1 per centum ad valorem.

In the case of a specific rate (or of a combination of rates which includes a specific rate), the one-half of 1 per centum specified in clause (ii) of the preceding sentence shall be determined in the same manner as the ad valorem equivalent of rates not stated wholly in ad valorem terms is determined for the purposes of paragraph (2)(D)(ii) of this subsection.

(4)(A) No proclamation pursuant to paragraph (1)(B) of this subsection shall be made, in order to carry out a foreign trade agreement entered into by the President on or after July 1, 1958, decreasing any rate of duty below the lowest of the following rates:

(i) The rate which would result from decreasing the rate existing on July 1, 1958, by 20 per centum of such rate.

(ii) Subject to paragraph (2)(B) of this subsection, the rate 2 per centum ad valorem below the rate existing on July 1, 1958.

(iii) The rate 50 per centum ad valorem or, in the case of any article subject to a specific rate of duty or to a combination of rates including a specific rate, any rate (or combination of rates), however stated, the ad valorem equivalent of which has been determined as 50 per centum ad valorem.

The provisions of clauses (ii) and (iii) of this subparagraph and of subparagraph (B)(ii) of this paragraph shall, in the case of any article subject to a combination of ad valorem rates of duty, apply to the aggregate of such rates; and, in the case of any article subject to a specific rate of duty or to a combination of rates including a specific rate, such provisions shall apply on the basis of the ad valorem equivalent of such rate or rates, during a representative period (whether or not such period includes July 1, 1958), determined in the

same manner as the ad valorem equivalent of rates not stated wholly in ad valorem terms is determined for the purpose of paragraph (2)(D)(ii) of this subsection.

(B)(i) In the case of any decrease in duty to which clause (i) of subparagraph (A) of this paragraph applies, such decrease shall become initially effective in not more than four annual stages, and no amount of decrease becoming initially effective at one time shall exceed 10 per centum of the rate of duty existing on July 1, 1958, or, in any case in which the rate has been increased since that date, exceed such 10 per centum or one-third of the total amount of the decrease under the foreign trade agreement, whichever is the greater.

(ii) In the case of any decrease in duty to which clause (ii) of subparagraph (A) of this paragraph applies, such decrease shall become initially effective in not more than four annual stages, and no amount of decrease becoming initially effective at one time shall exceed 1 per centum ad valorem or, in any case in which the rate has been increased since July 1, 1958, exceed such 1 per centum or one-third of the total amount of the decrease under the foreign trade agreement, whichever is the greater.

(iii) In the case of any decrease in duty to which clause (iii) of subparagraph (A) of this paragraph applies, such decrease shall become initially effective in not more than four annual stages, and no amount of decrease becoming initially effective at one time shall exceed one-third of the total amount of the decrease under the foreign trade agreement.

(C) In the case of any decrease in duty to which subparagraph (A) of this paragraph applies (i) no part of a decrease after the first part shall become initially effective until the immediately previous part shall have been in effect for a period or periods aggregating not less than one year, nor after the first part shall have been in effect for a period or periods aggregating more than three years, and (ii) no part of a decrease shall become initially effective after the expiration of the four-year period which begins on July 1, 1962. If any part of a decrease has become effective, then for the purposes of clauses (i) and (ii) of the preceding sentence any time thereafter during which such part of the decrease is not in effect by reason of legislation of the United States or action thereunder shall be excluded in determining when the three-year period or the four-year period, as the case may be, expires.

[(5) Subject to the provisions of section 5 of the Trade Agreements Extension Act of 1951 (19 U.S.C., sec. 1362), duties and other import restrictions proclaimed pursuant to this section shall apply to articles the growth, produce, or manufacture of all foreign countries, whether imported directly or indirectly: *Provided,* That the President shall, as soon as practicable, suspend the application to articles the growth, produce, or manufacture of any country because of its discriminatory treatment of American commerce or because of other acts (including the operations of international cartels) or policies which in his opinion tend to defeat the purpose of this section.]

(6) The President may at any time terminate, in whole or in part, any proclamation made pursuant to this section.

(b) Nothing in this section *or the Trade Expansion Act of 1962* shall be construed to prevent the application, with respect to rates of duty established under this section *or the Trade Expansion Act of 1962*

pursuant to agreements with countries other than Cuba, of the provisions of the treaty of commercial reciprocity concluded between the United States and the Republic of Cuba on December 11, 1902, or to preclude giving effect to an agreement with Cuba concluded under this section, modifying the existing preferential customs treatment of any article the growth, produce, or manufacture of Cuba. Nothing in this Act *or the Trade Expansion Act of 1962* shall be construed to preclude the application to any product of Cuba (including products preferentially free of duty) of a rate of duty not higher than the rate applicable to the like products of other foreign countries (except the Philippines), whether or not the application of such rate involves any preferential customs treatment. No rate of duty on products of Cuba shall be decreased—

(1) In order to carry out a foreign trade agreement entered into by the President before June 12, 1955, by more than 50 per centum of the rate of duty existing on January 1, 1945, with respect to products of Cuba.

(2) In order to carry out a foreign trade agreement entered into by the President on or after June 12, 1955, *and before July 1, 1962*, below the applicable alternative specified in subsection (a)(2) (C) or (D) or (4)(A) (subject to the applicable provisions of subsection (a)(3) (B), (C), and (D) and (4)(B) and (C)), each such alternative to be read for the purposes of this paragraph as relating to the rate of duty applicable to products of Cuba. With respect to products of Cuba, the limitation of subsection (a)(2)(D)(ii) or (4)(A)(iii) may be exceeded to such extent as may be required to maintain an absolute margin of preference to which such products are entitled.

(3) In order to carry out a foreign trade agreement entered into after June 30, 1962, and before July 1, 1967, below the lowest rate permissible by applying title II of the Trade Expansion Act of 1962 to the rate of duty (however established, and even though temporarily suspended by Act of Congress or otherwise) existing on July 1, 1962, with respect to such product.

(c)(1) As used in this section, the term "duties and other import restrictions" includes (A) rate and form of import duties and classification of articles, and (B) limitations, prohibitions, charges, and exactions other than duties, imposed on importation or imposed for the regulation of imports.

(2) For purposes of this section—

(A) Except as provided in subsection (d), the terms "existing on July 1, 1934", "existing on January 1, 1945", "existing on January 1, 1955", and "existing on July 1, 1958" refer to rates of duty (however established, and even though temporarily suspended by Act of Congress or otherwise) existing on the date specified, except rates in effect by reason of action taken pursuant to section 5 of the Trade Agreements Extension Act of 1951 (19 U.S.C., sec. 1362).

(B) The term "existing" without the specification of any date, when used with respect to any matter relating to the conclusion of, or proclamation to carry out, a foreign trade agreement, means existing on the day on which that trade agreement is entered into.

(d)(1) When any rate of duty has been increased or decreased for the duration of war or an emergency, by agreement or otherwise, any

further increase or decrease shall be computed upon the basis of the post-war or post-emergency rate carried in such agreement or otherwise.

(2) Where under a foreign trade agreement the United States has reserved the unqualified right to withdraw or modify, after the termination of war or an emergency, a rate on a specific commodity, the rate on such commodity to be considered as "existing on January 1, 1945" for the purpose of this section shall be the rate which would have existed if the agreement had not been entered into.

(3) No proclamation shall be made pursuant to this section for the the purpose of carrying out any foreign trade agreement the proclamation with respect to which has been terminated in whole by the President prior to the date this subsection is enacted.

[(e)(1) The President shall submit to the Congress an annual report on the operation of the trade agreements program, including information regarding new negotiations, modifications made in duties and import restrictions of the United States, reciprocal concessions obtained, modifications of existing trade agreements in order to effectuate more fully the purposes of the trade agreements legislation (including the incorporation therein of escape clauses), the results of action taken to obtain removal of foreign trade restrictions (including discriminatory restrictions) against United States exports, remaining restrictions, and the measures available to seek their removal in accordance with the objectives of this section, and other information relating to that program and to the agreements entered into thereunder.

[(2) The Tariff Commission shall at all times keep informed concerning the operation and effect of provisions relating to duties or other import restrictions of the United States contained in trade agreements heretofore or hereafter entered into by the President under the authority of this section. The Tariff Commission, at least once a year, shall submit to the Congress a factual report on the operation of the trade-agreements program.]

(f) It is hereby declared to be the sense of the Congress that the President, during the course of negotiating any foreign trade agreement under this section, should seek information and advice with respect to such agreement from representatives of industry, agriculture, and labor.

SECTION 2(a) OF THE ACT OF JUNE 12, 1934 (19 U.S.C., SEC. 1352(a))

SEC. 2. (a) Subparagraph (d) of paragraph 369, the last sentence of paragraph 1402, and the provisos to paragraphs 371, 401, 1650, 1687, and 1803(1) of the Tariff Act of 1930 are repealed. The provisions of section 336 of the Tariff Act of 1930 shall not apply to any article with respect to the importation of which into the United States a foreign trade agreement has been concluded pursuant to this Act *or the Trade Expansion Act of 1962*, or to any provision of any such agreement. The third paragraph of section 311 of the Tariff Act of 1930 shall apply to any agreement concluded pursuant to this Act *or the Trade Expansion Act of 1962* to the extent only that such agreement assures to the United States a rate of duty on wheat flour produced in the United States which is preferential in respect to the

lowest rate of duty imposed by the country with which such agreement has been concluded on like flour produced in any other country; and upon the withdrawal of wheat flour from bonded manufacturing warehouses for exportation to the country with which such agreement has been concluded, there shall be levied, collected, and paid on the imported wheat used, a duty equal to the amount of such assured preference.

SECTIONS 5, 6, 7, AND 8(a) OF THE TRADE AGREEMENTS EXTENSION ACT OF 1951

[SEC. 5. As soon as practicable, the President shall take such action as is necessary to suspend, withdraw or prevent the application of any reduction in any rate of duty, or binding of any existing customs or excise treatment, or other concession contained in any trade agreement entered into under the authority of section 350 of the Tariff Act of 1930, as amended and extended, to imports from the Union of Soviet Socialist Republics and to imports from any nation or area dominated or controlled by the foreign government or foreign organization controlling the world Communist movements.

[SEC. 6. (a) No reduction in any rate of duty, or binding of any existing customs or excise treatment, or other concession hereafter proclaimed under section 350 of the Tariff Act of 1930, as amended, shall be permitted to continue in effect when the product on which the concession has been granted is, as a result, in whole or in part, of the duty or other customs treatment reflecting such concession, being imported into the United States in such increased quantities, either actual or relative, as to cause or threaten serious injury to the domestic industry producing like or directly competitive products.

[(b) The President, as soon as practicable, shall take such action as may be necessary to bring trade agreements heretofore entered into under section 350 of the Tariff Act of 1930, as amended, into conformity with the policy established in subsection (a) of this section.

[SEC. 7. (a) Upon the request of the President, upon resolution of either House of Congress, upon resolution of either the Committee on Finance of the Senate or the Committee on Ways and Means of the House of Representatives, upon its own motion, or upon application of any interested party (including any organization or group of employees), the United States Tariff Commission shall promptly make an investigation and make a report thereon not later than six months after the application is made to determine whether any product upon which a concession has been granted under a trade agreement is, as a result, in whole or in part, of the duty or other customs treatment reflecting such concession, being imported into the United States in such increased quantities, either actual or relative, as to cause or threaten serious injury to the domestic industry producing like or directly competitive products.

[In the course of any such investigation, whenever it finds evidence of serious injury or threat of serious injury or whenever so directed by resolution of either the Committee on Finance of the Senate or the Committee on Ways and Means of the House of Representatives, the Tariff Commission shall hold hearings giving reasonable public notice thereof and shall afford reasonable opportunity for interested

parties to be present, to produce evidence, and to be heard at such hearings.

[Should the Tariff Commission find, as the result of its investigation and hearings, that a product on which a concession has been granted is, as a result, in whole or in part, of the duty or other customs treatment reflecting such concession, being imported in such increased quantities, either actual or relative as to cause or threaten serious injury to the domestic industry producing like or directly competitive products, it shall recommend to the President the withdrawal or modification of the concession, its suspension in whole or in part, or the establishment of import quotas, to the extent and for the time necessary to prevent or remedy such injury. The Tariff Commission shall immediately make public its findings and recommendations to the President, including any dissenting or separate findings and recommendations, and shall cause a summary thereof to be published in the Federal Register.

[(b) In arriving at a determination in the foregoing procedure the Tariff Commission, without excluding other factors, shall take into consideration a downward trend of production, employment, prices, profits, or wages in the domestic industry concerned, or a decline in sales, an increase in imports, either actual or relative to domestic production, a higher or growing inventory, or a decline in the proportion of the domestic market supplied by domestic producers.

[Increased imports, either actual or relative, shall be considered as the cause or threat of serious injury to the domestic industry producing like or directly competitive products when the Commission finds that such increased imports have contributed substantially towards causing or threatening serious injury to such industry.

[(c)(1) Upon receipt of the Tariff Commission's report of its investigation and hearings, the President may make such adjustments in the rates of duty, impose such quotas, or make such other modifications as are found and reported by the Commission to be necessary to prevent or remedy serious injury to the respective domestic industry. If the President does not take such action within sixty days he shall immediately submit a report to the Committee on Ways and Means of the House and to the Committee on Finance of the Senate stating why he has not made such adjustments or modifications, or imposed such quotas.

[(2) The action so found and reported by the Commission to be necessary shall take effect (as provided in the first sentence of paragraph (1) or in paragraph (3), as the case may be)—

[(A) if approved by the President, or

[(B) if disapproved by the President in whole or in part, upon the adoption by both Houses of the Congress (within the 60-day period following the date on which the report referred to in the second sentence of paragraph (1) is submitted to such committees), by the yeas and nays by a two-thirds vote of each House, of a concurrent resolution stating in effect that the Senate and House of Representatives approve the action so found and reported by the Commission to be necessary.

For the purposes of subparagraph (B), in the computation of the 60-day period there shall be excluded the days on which either House is not in session because of an adjournment of more than 3 days to a day certain or an adjournment of the Congress sine die.

[(3) In any case in which the contingency set forth in paragraph (2)(B) occurs, the President shall (within 15 days after the adoption of such resolution) take such action as may be necessary to make the adjustments, impose the quotas, or make such other modifications as were found and reported by the Commission to be necessary.

[(d) When in the judgment of the Tariff Commission no sufficient reason exists for a recommendation to the President that a concession should be withdrawn or modified or a quota established, it shall make and publish a report stating its findings and conclusions.

[(e) As used in this Act, the terms "domestic industry producing like or directly competitive products" and "domestic industry producing like or directly competitive articles" mean that portion or subdivision of the producing organizations manufacturing, assembling, processing, extracting, growing, or otherwise producing like or directly competitive products or articles in commercial quantities. In applying the preceding sentence, the Commission shall (so far as practicable) distinguish or separate the operations of the producing organizations involving the like or directly competitive products or articles referred to in such sentence from the operations of such organizations involving other products or articles.

[(f) In carrying out the provisions of this section the President may, notwithstanding section 350(a)(2) of the Tariff Act of 1930, as amended, impose a duty not in excess of 50 per centum ad valorem on any article not otherwise subject to duty.

[SEC. 8. (a) In any case where the Secretary of Agriculture determines and reports to the President and to the Tariff Commission with regard to any agricultural commodity that due to the perishability of the commodity a condition exists requiring emergency treatment, the Tariff Commission shall make an immediate investigation * * * under the provisions of section 7 of this Act to determine the facts and make recommendations to the President for such relief under those provisions as may be appropriate. The President may take immediate action however, without awaiting the recommendations of the Tariff Commission if in his judgment the emergency requires such action. In any case the report and findings of the Tariff Commission and the decision of the President shall be made at the earliest possible date and in any event not more than 25 calendar days after the submission of the case to the Tariff Commission.]

SECTION 2 OF THE ACT OF JULY 1, 1954

[SEC. 2. (a) No action shall be taken pursuant to section 350 of the Tariff Act of 1930, as amended (19 U.S.C., sec. 1351), to decrease the duty on any article if the President finds that such reduction would threaten to impair the national security.

[(b) Upon request of the head of any Department or Agency, upon application of an interested party, or upon his own motion, the Director of the Office of Defense and Civilian Mobilization (hereinafter in this section referred to as the "Director") shall immediately make an appropriate investigation, in the course of which he shall seek information and advice from other appropriate Departments and Agencies, to determine the effects on the national security of imports of the

article which is the subject of such request, application, or motion. If, as a result of such investigation, the Director is of the opinion that the said article is being imported into the United States in such quantities or under such circumstances as to threaten to impair the national security, he shall promptly so advise the President, and, unless the President determines that the article is not being imported into the United States in such quantities or under such circumstances as to threaten to impair the national security as set forth in this section, he shall take such action, and for such time, as he deems necessary to adjust the imports of such article and its derivatives so that such imports will not so threaten to impair the national security.

[(c) For the purposes of this section, the Director and the President shall, in the light of the requirements of national security and without excluding other relevant factors, give consideration to domestic production needed for projected national defense requirements, the capacity of domestic industries to meet such requirements, existing and anticipated availabilities of the human resources, products, raw materials, and other supplies and services essential to the national defense, the requirements of growth of such industries and such supplies and services including the investment, exploration, and development necessary to assure such growth, and the importation of goods in terms of their quantities, availabilities, character, and use as those affect such industries and the capacity of the United States to meet national security requirements. In the administration of this section, the Director and the President shall further recognize the close relation of the economic welfare of the Nation to our national security, and shall take into consideration the impact of foreign competition on the economic welfare of individual domestic industries; and any substantial unemployment, decrease in revenues of government, loss of skills or investment, or other serious effects resulting from the displacement of any domestic products by excessive imports shall be considered, without excluding other factors, in determining whether such weakening of our internal economy may impair the national security.

[(d) A report shall be made and published upon the disposition of each request, application, or motion under subsection (b). The Director shall publish procedural regulations to give effect to the authority conferred on him by subsection (b).

[(e) The Director, with the advice and consultation of other appropriate Departments and Agencies and with the approval of the President, shall by February 1, 1959, submit to the Congress a report on the administration of this section. In preparing such a report, an analysis should be made of the nature of projected national defense requirements, the character of emergencies that may give rise to such requirements, the manner in which the capacity of the economy to satisfy such requirements can be judged, the alternative means of assuring such capacity and related matters.]

INTERNAL REVENUE CODE OF 1954

SEC. 172. NET OPERATING LOSS DEDUCTION.

(a) DEDUCTION ALLOWED.—There shall be allowed as a deduction for the taxable year an amount equal to the aggregate of (1) the net operating loss carryovers to such year, plus (2) this net operating loss carrybacks to such year. For purposes of the subtitle, the term "net operating loss deduction" means the deduction allowed by this subsection.

(b) NET OPERATING LOSS CARRYBACKS AND CARRYOVERS.—

(1) YEARS TO WHICH LOSS MAY BE CARRIED.—A net operating loss for any taxable year ending after December 31, 1957, shall be—

(A) *except as provided in subparagraph (B)*, a net operating loss carryback to each of the 3 taxable years preceding the taxable year of such loss, [and]

(B) in the case of a taxpayer with respect to a taxable year ending on or after December 31, 1962, for which a certification has been issued under section 317 of the Trade Expansion Act of 1962, a net operating loss carryback to each of the 5 taxable years preceding the taxable year of such loss, and

[(B)] *(C)* a net operating loss carryover to each of the 5 taxable years following the taxable year of such loss.

(2) AMOUNT OF CARRYBACKS AND CARRYOVERS.—Except as provided in subsection (i), the entire amount of the net operating loss for any taxable year (hereinafter in this section referred to as the "loss year") shall be carried to the earliest of the [8] taxable years to which (by reason of [subparagraphs (A) and (B) of] paragraph (1)) such loss may be carried. The portion of such loss which shall be carried to each of the other [7] taxable years shall be the excess, if any, of the amount of such loss over the sum of the taxable income for each of the prior taxable years to which such loss may be carried. For purposes of the preceding sentence, the taxable income for any such prior taxable year shall be computed—

(A) with the modifications specified in subsection (d) other than paragraphs (1), (4), and (6) thereof; and

(B) by determining the amount of the net operating loss deduction without regard to the net operating loss for the loss year or for any taxable year thereafter,

and the taxable income so computed shall not be considered to be less than zero.

(3) SPECIAL RULES.—

(A) Paragraph (1)(B) shall apply only if—

(i) there has been filed, at such time and in such manner as may be prescribed by the Secretary or his delegate, a notice of filing of the application under section 317 of the Trade Expansion Act of 1962 for tax assistance, and, after its issuance, a copy of the certification under such section, and

(ii) the taxpayer consents in writing to the assessment, within such period as may be agreed upon with the Secretary or his delegate, of any deficiency for any year to the extent attributable to the disallowance of a

deduction previously allowed with respect to such net operating loss, even though at the time of filing such consent the assessment of such deficiency would otherwise be prevented by the operation of any law or rule of law.

(B) In the case of—

(i) a partnership and its partners, or

(ii) an electing small business corporation under subchapter S and its shareholders,

paragraph (1)(B) shall apply as determined under regulations prescribed by the Secretary or his delegate. Such paragraph shall apply to a net operating loss of a partner or such a shareholder only if it arose predominantly from losses in respect of which certifications under section 317 of the Trade Expansion Act of 1962 were filed under this section.

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CHAPTER 66—LIMITATIONS

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Subchapter A—Limitations on Assessment and Collection

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SEC. 6501. LIMITATIONS ON ASSESSMENT AND COLLECTION.

(a) GENERAL RULE.—Except as otherwise provided in this section, the amount of any tax imposed by this title shall be assessed within 3 years after the return was filed (whether or not such return was filed on or after the date prescribed) or, if the tax is payable by stamp, at any time after such tax became due and before the expiration of 3 years after the date on which any part of such tax was paid, and no proceeding in court without assessment for the collection of such tax shall be begun after the expiration of such period.

* * * * * * *

(h) NET OPERATING LOSS CARRYBACKS.—In the case of a deficiency attributable to the application to the taxpayer of a net operating loss carryback (including deficiencies which may be assessed pursuant to the provisions of section 6213(b)(2)), such deficiency may be assessed at any time before the expiration of the period within which a deficiency for the taxable year of the net operating loss which results in such carryback may be assessed, *or within 18 months after the date on which the taxpayer files in accordance with section 172(b)(3) a copy of the certification (with respect to such taxable year) issued under section 317 of the Trade Expansion Act of 1962, whichever is later.*

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Subchapter B—Limitations on Credit or Refund

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SEC. 6511. LIMITATIONS ON CREDIT OR REFUND.

(a) PERIOD OF LIMITATION ON FILING CLAIM.—Claim for credit or refund of an overpayment of any tax imposed by this title in respect of which tax the taxpayer is required to file a return shall be filed by the taxpayer within 3 years from the time the return was filed or 2 years from the time the tax was paid, whichever of such periods ex-

pires the later, or if no return was filed by the taxpayer, within 2 years from the time the tax was paid. Claim for credit or refund of an overpayment of any tax imposed by this title which is required to be paid by means of a stamp shall be filed by the taxpayer within 3 years from the time the tax was paid.

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(d) SPECIAL RULES APPLICABLE TO INCOME TAXES.—

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(2) SPECIAL PERIOD OF LIMITATION WITH RESPECT TO NET OPERATING LOSS CARRYBACKS.—

(A) PERIOD OF LIMITATION.—If the claim for credit or refund relates to an overpayment attributable to a net operating loss carryback, in lieu of the 3-year period of limitation prescribed in subsection (a), the period shall be that period which ends with the expiration of the 15th day of the 40th month (or *the* 39th month, in the case of a corporation) following the end of the taxable year of the net operating loss which results in such carryback, or the period prescribed in subsection (c) in respect of such taxable year, whichever expires later; except that [,]—

(i) with respect to an overpayment attributable to a net operating loss carryback to any year on account of a certification issued to the taxpayer under section 317 of the Trade Expansion Act of 1962, the period shall not expire before the expiration of the sixth month following the month in which such certification is issued to the taxpayer, and

(*ii*) with respect to an overpayment attributable to the creation of, or an increase in, a net operating loss carryback as a result of the elimination of excessive profits by a renegotiation (as defined in section 1481(a)(1)(A)), the period shall not expire before September 1, 1959, or the expiration of the twelfth month following the month in which the agreement or order for the elimination of such excessive profits becomes final, whichever is the later.

In the case of such a claim, the amount of the credit or refund may exceed the portion of the tax paid within the period provided in subsection (b)(2) or (c), whichever is applicable, to the extent of the amount of the overpayment attributable to such carryback.

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SEPARATE VIEWS OF HON. BURR P. HARRISON AND HON. A. S. HERLONG, JR.

We think the provisions of chapters 2 and 3 of title III add nothing to this measure, are unnecessary, create unjustified expense and discriminations and, therefore, should be eliminated.

Otherwise, the measure has our support.

BURR P. HARRISON.
A. S. HERLONG, Jr.

SEPARATE VIEWS OF THE REPUBLICANS ON H.R. 11970

GENERAL STATEMENT

The undersigned members of the committee regret the manner in which this trade legislation (H.R. 11970) has been hailed by the Kennedy administration as providing the solution for all of the problems confronting the Nation. We fully support the objective of expanding "free and fair" trade between the nations of the free world. Unfortunately, the Kennedy administration apparently fails to recognize that that objective will not be attained merely by propagandizing the American people. Our opposition to these tactics does not mean that we are opposed to legislation which is soundly conceived and might reasonably be expected to produce a lowering of the trade barriers between ourselves and the European Economic Community. We must have a "trade bill" in order to attain that objective. We have made every effort to produce a bill which will enable the Kennedy administration to negotiate *realistically* with the Common Market. The effectiveness of such a bill will, however, depend upon the attitude of the administration in exercising its authority. Because of our misgivings in regard to that attitude, we must express our concern over the problems faced by the United States in its future trade negotiations.

The bill abandons the philosophy underlying our trade negotiations in the past—that our negotiators refrain from agreeing to a reduction in duties which will bring about serious injury to the domestic industry. We are opposed to this change in the basic philosophy of our trade laws as being contrary to the best interests of the United States, and as imposing upon American industry and workers hardships which the industry and workers of the Common Market will not accept. Except for the abandonment of the "no serious injury" policy—in favor of a policy of "adjustment assistance"—H.R. 11970 contains improvements over existing law.

The extension of the authority of the President to enter into trade negotiations—an authority which the President has had for more than 25 years—if not used judiciously, may result in irreparable injury to American agriculture, industry, and workers unless we first adopt other economic measures to prepare for more direct competition with the European industrial nations and Japan. A policy which seeks to expand foreign trade at the expense of domestic industry may in itself be destructive of a continuing growth of such international trade. For an expanding trade program to be effective, proper safeguards must be maintained so as not to subject domestic industry to unfair competition from foreign-based industry utilizing low-cost labor behind a protective trade barrier.

The stated objective of the administration is to promote the unrestricted flow of goods between the nations of the free world. For any trade negotiation authority to be effective, we must be prepared to negotiate from strength. It is becoming more and more apparent

that the real objective of the Common Market is to establish a "third power" behind a "common bond" of a protective external tariff. Remove that bond and there will be no Common Market. As one of the ministers of the Common Market member nations recently stated, they are not interested in the complete elimination of duties as the United States proposes to do under section 211 of the bill.

In promoting the trade bill as the ultimate "panacea", the Kennedy administration has unfortunately obscured the real issue. The real issue confronting the United States today in its economic relationship in the world is not whether we should have tariff reductions. The real issue is whether we should have tariff reduction *with*, or *without*, internal fiscal, monetary, and economic reforms. Until we accomplish the latter, we are not in a position to benefit from tariff reductions. Unilateral tariff reduction by the United States will not assure a more favorable trade balance.

A reduction in U.S. tariffs can produce an increase in imports, which will provide the exporting nations with additional "dollar" exchange. For this dollar exchange to result in an increasing expansion of U.S. trade, not only must their markets be open to us, but there must be a demand which American products can meet on competitive terms. Otherwise, the additional "dollar" exchange which will result from increased imports into the United States will merely aggravate our balance-of-payments deficit. Furthermore, the United States no longer has available sufficient gold to meet the dollar obligations which the exporting nations will hold as a result of this "one-way" trade.

This bill does not even assure that the other countries will be prepared to accept American products on a reciprocal basis. In fact, there is every indication to the contrary. The external tariff wall of the Common Market is arrived at by taking the arithmetical average of the existing tariffs of the participating nations. In many cases, this will result in an increase in the rate of duty on U.S. trade because the bulk of our export trade went to those nations whose tariffs were below the Common Market average. After reducing the U.S. tariffs between 70 and 80 percent as a result of prior negotiations, we are told that further reductions will be necessary in order to obtain from the Common Market reductions in the new external tariff wall.

While H.R. 11970 deals with tariffs, these are not the only impediment to the flow of trade between nations. In fact, tariffs are a very minor impediment. More regressive measures have been used in the past and will unquestionably continue to be used. In fact, the so-called "textile agreement," recently negotaited by the Kennedy administration which placed quotas on the import of textiles into the United States, is a classic example of such measures. This agreement was concluded outside the framework of existing reciprocal trade legislation.

The subsidization of exports through tax concessions—a common practice in West Germany—is another means of restricting competition from imports. Industry cartels operate to foreclose the European market to American industry. While such cartels are given a "slap on the wrist" under the Treaty of Rome, they will not be abolished overnight. It is indeed exceedingly naive to assume that with the adoption of this trade bill the other industrial nations of the world will simultaneously adopt increasing measures to permit the free flow of goods from the United States to those nations.

ABANDONMENT OF "NO INJURY" POLICY

We express grave concern over the apparent determination of the Kennedy administration to abandon completely the policy of protecting American industry from unfair competition abroad resulting from low labor rates, through compensating duties on imports into the United States. In a speech to the German Society for Foreign Affairs, at Bonn, Germany, on April 2, 1962, Mr. George Ball, Under Secretary of State, stated the policy of the New Frontier with respect to "escape-clause" relief. He said:

> The course of liberal trade is not always smooth. Within the past fortnight, the President of the United States felt compelled to approve recommendations to raise import duties on certain kinds of carpets, and on flat glass. These recommendations were based on findings of the Tariff Commission, made following public hearings open to all interested parties. This action has excited comment in Europe, and questions have been raised about its longrun implications for United States trade policy. Let me tell you precisely what those implications are.
>
> At the present moment, and until a new law is enacted, the President's powers to change United States tariffs are based upon the existing Trade Agreements Act. The philosophy and approach of that act are clear: When an American industry is suffering from serious injury that can be attributed to imports, the law provides for the restoration of import restrictions. Under that law, the President raised the tariffs on carpets and glass.
>
> This was the only form of relief which the President could provide under existing law. That will no longer be the case if Congress enacts the proposed Trade Expansion Act. That act provides a different approach to the problems of adjustment created by imports. Reflecting the experience of the EEC itself, the act proposes to rely upon domestic adjustments as the first response to such problems. Industries finding difficulties in adjusting to lower tariffs will be given various types of financial and tax aid to enable them to shift to new lines of production; workers will be helped through retraining and by other means. Import restrictions may be resorted to only as an exceptional procedure and then only for a limited period.

Statements have been made by the proponents of "free trade" that any escape-clause procedure should be eliminated—that when the United States makes an agreement to reduce tariffs, we should stand by that agreement. The critics of "escape-clause" action on the part of the United States fail to state that the GATT agreements specifically provide for "escape-clause" procedures, and what is more significant, that the other parties to the GATT agreements, including the members of the Common Market, have relied on "escape-clause" procedures in many more instances than the United States. In the same speech—which was not for U.S. audiences—Mr. Ball also pointed out:

> But even apart from the proposed change in U.S. escape-clause policy, the recent tariff actions assume smaller di-

> mensions if put in proper perspective. In all the years in which escape clauses have been the prescribed mechanism, the President has found it necessary to apply such clauses only to 17 cases. This has been a creditable record. Few other countries of the world have exercised such restraint; in fact some of the nations—although not all—that have expressed the strongest views with respect to the President's recent action have on past occasions seen fit to restore protection to many domestic industries. Some have done this by availing themselves of procedures under article XXVIII of the GATT, raising hundreds of their tariff rates in the process. Others have occasionally applied quotas in violation of the agreement. Such actions have frequently caused severe hardships—especially in other parts of the free world, such as Japan.

As contrasted with our tolerant attitude, in the few cases in which the United States did rely upon the escape clause to increase duties, very severe retaliation was invoked by the European Economic Community. In retaliation for our action as a result of the escape-clause proceedings involving carpets and glass, the Common Market is reported to have increased duties on polyester, polyethlyne, synthetic cloth, artificial cloth, varnishes, and water paints. On the first four products the Common Market's still incomplete external tariff wall will be raised from a present tariff level of 20 percent to a flat 40 percent. On varnishes and water paints it will go up from 16 to 19 percent. It is estimated that these increased duties will apply to about $27 million of U.S. exports, and will increase the cost by about $5 million.

The Belgians who were responsible for this retaliatory action on the part of the Common Market sought to assist the Belgian carpet and glass industries by prompt retaliation. In contrast to what has apparently been the U.S. attitude, the Belgians did not "turn the other cheek." Unless the United States adopts a similar "hard-boiled attitude." we will be "bested" in any trade negotiations. In this respect H.R. 11970 represents an improvement over existing law. The bill embodies a "direction" to the President to take retaliatory action where the other country does not "live up" to its agreements, or otherwise unjustifiably discriminates against U.S. trade.

There is no evidence that the Common Market intends to abandon its policy of protecting European industry from injury on account of American competition. If we abandon a similar policy of protecting American industry, the results will be catastrophic. Adjustment assistance is no substitute for sales and jobs.

COMMON MARKET IS "PROTECTIONIST" IN CONCEPT

The trade bill is heralded by the Kennedy administration as the "magic formula" for the removal of restrictions on world trade. If we were to accept this at face value, the administration is moving toward further negotiations with the Common Market under the wholly unrealistic assumption that the Common Market is also interested in the removal of trade restrictions. In the same speech at Bonn, Germany, on April 2, 1962, Under Secretary Ball said:

> But Americans have recognized that the commercial manifestation of the Community—the Common Market—*implies a substantial degree of discrimination against American trade.* Of necessity it will require adjustments for the industry, agriculture, and labor of the United States and of nonmember third countries. [Italic added.]

Do Americans recognize this? Certainly the Kennedy administration in its "Madison Avenue" approach to trade legislation has done much to obscure this issue. The Common Market is openly "protectionist" in concept. In negotiating with the Common Market, the United States must recognize this fact.

The Common Market was created as a "customs union" of the participating nations. Efforts are being made toward a political union as well. At present, however, the only common bond which can be relied upon to hold together the member nations of the Common Market is an external trade wall (tariffs and a system of quotas) which will protect both industry and agriculture from fragmentation by outside competition. In recognition of this, American businesses have been moving rapidly toward the establishment of controlled production behind this tariff barrier. It is not a tax incentive that has induced American industry to go abroad. It is the recognition of the fact—which the administration attempts to minimize—that the Common Market will afford protection to those industries within that market.

An outstanding example of the protectionist attitude on the part of the Common Market is exemplified in the terms upon which Great Britain would be permitted to become a member. It is not proposed to meet the problem of the British Commonwealth preferences by reducing external tariffs. On the contrary, the conditions which are imposed upon Great Britain are that over the transitionary period the tariffs on products from the Commonwealth nations be increased to the level of the Common Market.

The Common Market and Great Britain have not been able to come to an agreement with respect to agricultural imports from the British Commonwealth. As reported in the Wall Street Journal on May 31, 1962, the situation is as follows:

> One of the major problems still being negotiated by Britain and the Common Market is Britain's import of agricultural goods from the three Commonwealth nations. The six have notified Britain they are willing to adopt transitional arrangements for these agricultural imports until 1970, and thereafter take the initiative to discuss with the major world producers of cereals and wheat, including the United States and Argentina, "worldwide agreements" based on control of prices, production, subsidies, and surpluses.

The U.S. coal industry has suffered from conversion of the railroads to diesel oil, from increased use of natural gas and heating oils, and more recently from increased imports of residual oil. For a time, the resulting decline in domestic coal consumption was offset by exports. For example, in 1957, the United States shipped 16 million tons of coal to West Germany. With the exception of Italy, the Common Market countries have since imposed tariffs or quotas on the importation of coal from the United States. Despite efforts by our State

Department to have these restrictions removed or liberalized, West Germany recently announced that its coal tariffs and quotas would remain in effect. France is negotiating with Russia for the importation of coal, in preference to coal from the United States. Although Great Britain is not yet a member of the Common Market, Britain allows no U.S. coal to be imported. There are no tariffs or duty as such, but U.S. coal is barred through a licensing system.

Our negotiators have recently been rebuffed in an effort to remove restrictions on the importation of coal from the United States to the Common Market. The Common Market proposes to set up a single purchasing agreement for coal, which will permit even greater discrimination against imports from the United States. Price is not a factor. U.S. coal producers, despite high labor costs, can deliver coal to Europe cheaper than coal can be mined on the Continent. It is strictly a question of protecting a domestic industry, irrespective whether other sources can more efficiently produce the same product.

The failure of these negotiations should be ample warning to the administration of the "protectionist" policy of the Common Market. It is highly doubtful whether there is any intention to permit the importation of American-made products on a basis which will seriously affect existing industries within the Common Market, or impede the efforts of the Common Market to develop new industry. The administration's optimism in this respect is the product of wishful thinking.

REEVALUATING OF PRIOR GATT CONCESSIONS

As a result of prior negotiations, the U.S. tariffs on dutiable imports have been reduced by about 80 percent since the President was first granted authority to conduct reciprocal trade negotiations. Our tariffs will be substantially below the proposed Common Market external tariff. Since that tariff will be based upon an arithmetical average of the tariffs of the participating countries, the effective rate on U.S. imports will be substantially increased. It would be expected that we might properly require some concessions for such increase.

However, our negotiators agreed to permit this type of averaging within the General Agreement on Tariffs and Trade, irrespective of the result on the effective rate of duty. To a large degree this error on the part of our negotiators has contributed to the necessity for granting the President additional authority to negotiate with the Common Market.

For example, the bulk of our automobile exports were shipped to Germany and to the Benelux countries where there was a tariff of 18 percent. The initial external tariff for the EEC was 29 percent. Only as a result of further concessions on our part was this reduced to 22 percent. The U.S. automobile exporters are still faced with a higher rate of duty than is presently applicable to the bulk of their exports.

The negotiating posture of the United States has deteriorated because of the "averaging" effect of the Common Market. Our negotiators are being called upon to grant further concessions merely to recapture the ground which was lost. The relatively high tariff members of the Common Market, to which our exports were not significant, are included in the average. This raises the duty above the level which is presently applicable in the countries (such as West Germany) which take the bulk of U.S. exports.

The Kennedy administration may be correct in stating that the President (or his negotiators) have very little to offer in any negotiations. If our negotiators had done a good job in the past, it would be logical to assume that the Common Market would find itself in the same position. However, the Common Market is apparently able to avoid that dilemma through the increases in the effective rates which will result from the "averaging" processes. In view of the effect of that process, we should reevaluate the concessions which the United States has granted in the light of the new rates on articles on which concessions were received from the Common Market in exchange.

In an effort to protect agricultural products within the Common Market, an external tariff wall will be set up under a system of variable import duties, the effect of which will be to discriminate against American agriculture. In the trade agreement just concluded with the Common Market, at least $400 million of agricultural exports will be subject to such variable import fees. Commodities against which such fees have been invoked include wheat, feed grains, rice, poultry, and fruit. The Common Market will determine a "target price," and a fee will be levied on imports based upon the difference between the import price and that target price. This will remove any competitive advantage that U.S. agriculture may have because of its increased efficiency. In the year 1961, the U.S. exports of poultry to the Common Market countries were valued at about $35 million. The United States will lose its position as the principal supplier of poultry to the European market when these variable export fees go into effect July 1, 1962.

Other concessions obtained for U.S. agricultural exports in past negotiations have been and are being impaired by quantitative restrictions, State monopolies, import licensing, mixing regulations, and skimming fees, as well as the variable import fees. These protective measures should be sufficient to convince the Kennedy administration that "free trade" is not presently the objective of the Common Market. The tariff concessions which we have granted in the past have not been productive of a spirit of "sacrifice" in the interest of free trade on the part of the European Community. It is time for a more realistic approach. Our negotiating posture and attitude should be reexamined in relation to the trade policy of the Common Market before American industry, American agriculture, and American labor are called upon to make any further sacrifices.

PRIORITY OF INTERNAL FISCAL AND ECONOMIC REFORM

The President recently announced the appointment of a "task force" to study the fiscal and economic policy of Western Europe in order to determine the reasons for the relatively high employment and rapid economic growth in those countries. In this respect, the experience of Western Europe, and the reforms which made possible the formation of a "common market" are well-known. It should not necessitate a special "task force" to learn from that experience.

During the past decade, West Germany consciously pursued a disciplined anti-inflationary policy, rejecting Government spending and deficit financing, even though recommended by the same economists who now comprise the White House "inner circle." Simultaneously Great Britain, France, and the Scandinavian countries, pursued a policy diametrically opposed to that of West Germany,

relying upon inflation for the promotion of full employment and the objectives of the welfare state.

While the other European countries were faced with chronic balance-of-payments deficits, the West German policy produced export surpluses. The German mark became the most sought-after European currency. A balance was not restored until 1957, when Great Britain abandoned its "cheap money" policy (the British central bank raised its rediscount rate in that year to an alltime high of 7 percent). France later followed the example of Great Britain, by devaluing the franc and adopting drastic internal reforms.

It is generally recognized that if France had not adjusted its internal fiscal policies to more nearly conform to those of West Germany, the modest tariff reductions which were adopted on January 1, 1959, as the first step toward a "common market" would have disrupted the French economy. Without such internal reforms, the French with their inflated prices would have rushed to buy German goods, while the Germans with their relatively lower prices would have no particular incentive to purchase French goods. Within ternal fiscal reform, there was a reversal in the balance-of-payments deficit which periodically confronted France. This made a "common market" possible.

It was not the establishment of a "common market" with the lowering of tariffs that brought economic prosperity to Western Europe. It was the monetary and economic discipline of the participating countries, in adjusting to the standard of its most disciplined member, that made possible the reduction of tariffs without economic dislocation. Tariff reductions and reciprocal trade are but the logical products of prior monetary and fiscal responsibility.

If American industry is to be competitive in the Common Market, consideration must be given to reducing the heavy burden of Federal spending. No effort is being made by the Kennedy administration to control excessive spending. In fact, Dr. Walter W. Heller, the President's economic adviser, recently boasted that Government spending in the fourth calendar quarter of 1962 will be $10 billion above the same calendar quarter of 1961. By fiscal 1963, the Kennedy administration will have added more than 100,000 Federal employees. The budget for fiscal 1963, as supplemented, proposes new obligational authority in excess of $100 million. Experience has shown that the level of obligational authority forecasts future budgets. By the end of fiscal year 1963, unless checked, the administration will be spending at the rate of about $100 billion per year. The fiscal irresponsibility of the administration is one of the factors which will defeat the very objectives which the trade bill ostensibly seeks to accomplish. Regardless of the form of exaction of the tax, Government spending ultimately shows up as an additional cost to be borne by the American taxpayer.

The United States unfortunately has preempted the deficit position once held by Great Britain and France. In their experience, we might well find the solution for the balance-of-payments deficit. Internal fiscal and economic reforms should precede any further reduction in our tariff levels. The Federal budget should be balanced in order to give stability to the dollar in the world markets. The tax structure should be overhauled in order to provide greater incentives for the modernization of American plant and equipment. In this respect, the Kennedy administration should have urged a

liberalization of depreciation allowances, rather than the so-called "investment credit" in H.R. 10650.

The resulting gains on the part of U.S. industry should be used to extend our markets at home and abroad, and not preempted by wage increases. In part, our problem is attributable to the fact that any increase in productivity has been absorbed by wage increases. If we are to meet the competition of the Common Market, we must be prepared to devote future productivity gains to a reduction in prices rather than an increase in wages. A policy of holding the line is not sufficient.

Even a guarantee of "free trade" by the Common Market will not assure the sale of American-made goods in that market. It is not primarily foreign tariffs which are keeping many of these goods out of foreign markets. Large categories of American goods are noncompetitive in the world's markets, even where they have no tariffs or other trade barriers to hurdle. In the production of these commodities, other countries simply have lower unit costs, primarily due to their substantially lower wage costs. And in those commodity areas where superior American capital endowment and productivity still give the American producer an edge, in spite of higher wage scales, the trends indicate that this advantage is diminishing. European capital investments in equipment are increasing substantially. With the emergence of a "mass market" in Europe, the savings in production costs which will flow from the increase in capital investment will further intensify the price squeeze on American products in the Common Market.

The argument that foreign wage levels will rise and thus make U.S. goods more competitive is at once unrealistic and cynical. It is unrealistic because wages in Germany, for example, are already at inflationary levels, causing great concern to the authorities there, and because the amount of increase in German wages (which are now about 27 percent of average earnings in U.S. industry) needed to bring about equality would be enormous and completely unacceptable to the Germans. During the year 1961, German labor costs increased about 10 percent while U.S. labor costs increased only 5 percent. But a 10-percent increase of a 75-cent wage is only 7½ cents an hour while a 5-percent increase of a $3 wage is 15 cents an hour. The "wage gap" may be closed over a period of years, but it certainly will not be closed in the near future. The hope placed in foreign wage rate increases is cynical because the assumption is that other countries should have wage inflation merely because the United States had not had the fortitude or the determination to put an end to it.

ADJUSTMENT ASSISTANCE FOR FIRMS

The bill provides for "adjustment assistance" to firms adversely affected by imports, to be used either in lieu of or in conjunction with tariff adjustment (sec. 311–320). This is one of the much-heralded "new tools" which the Kennedy administration claims is needed for future trade negotiations. These provisions are a hoax.

The adjustment assistance for firms is intended not so much to assist a firm injured by imports, as to provide the U.S. negotiators with an "escape hatch," in lowering tariffs to a level at which serious injury will inevitably result. The provisions are designed to "cover

up" for the deficiencies in the negotiations rather than to promote the interest of American industry. It adds nothing except "redtape" to the existing provisions of the Small Business Act, as amended (15 U.S.C. 631), and the Small Business Investment Act of 1958 (15 U.S.C. 661). The adjustment assistance scheme is a "mirage."

A firm seeking adjustment assistance under the trade bill must first obtain a favorable finding from the Tariff Commission that the firm has been injured by imports as a result of trade concessions. The firm must then file an application for adjustment assistance with the Secretary of Commerce, setting forth a plan or program which the firm intends to adopt if the assistance is granted. The Secretary of Commerce then has his "experts"—including outside management consulting firms—review and modify the plan to conform with the Secretary's views as to a desirable future for the firm. Certain criteria are set forth in the bill. The plan must be certified (1) to be reasonably calculated to materially contribute to the economic adjustment of the firm, (2) to give adequate consideration to the interests of the workers, and (3) to demonstrate that the firm will make all reasonable efforts to use its own resources for economic development. Thus, since the workers are also involved, the Secretary of Commerce submits the plan to the Secretary of Labor for his approval, together with any other agency which Commerce determines to be appropriate. If the plan survives all of these hurdles, the firm will become entitled to a loan. In addition, if the Secretary of Commerce so certifies, the firm will also be permitted to carryback a net operating loss resulting from the impact of imports for an additional 2-year period.

Except for the extension of the net operating loss carryback, the so-called "tool" gives no relief beyond that provided under the existing statute for small business. Presumably, the carryback extension was necessary to take care of the lapse of time which will ensue while a firm goes through the procedure required to qualify for adjustment assistance under the trade bill. Although it may be argued that large firms do not come under the "small business" definition, it is not the large firms, with diversified product lines, which will require adjustment assistance. There are adequate provisions in existing law for assisting small business to obtain proper financing where financing is not otherwise available. Due to the fact that the overall operations of a firm affected by imports must be taken into account in granting adjustment assistance, it is extremely unlikely that any firm would qualify which would not also meet the qualification of a "small business." It is only the small firm, which the Small Business Administration was created especially to assist, which would normally qualify for adjustment assistance under the trade bill. For this reason, it is clear that the adjustment assistance provisions in the trade bill are intended to relieve the negotiators from responsibility for their acts, and not to help the firms which may be affected by the negotiations.

The Small Business Administration, operating under the Small Business Act, as amended, and the Small Business Investment Act of 1958, is empowered to give financial assistance to all qualifying small business concerns. The Small Business Administration has the authority to make loans to finance such items as plant construction, conversion, and expansion, including the acquisition of land. Loans can be made to facilitate the acquisition of equipment, facilities,

machinery, supplies, and materials as well as to supply working capital. Beyond these specified items the agency can make such loans as may be necessary to insure a well-balanced national economy. There are many types of loans available beyond the normal direct loans and deferred participation loans.

In view of the broad scope of authority granted to the Small Business Administration, and the successful operation of that agency, we see no need for any separate adjustment assistance program in the trade bill. Instead, the responsibility for avoiding serious injury of any major scope should rest squarely on the shoulders of our negotiators.

It also may be argued that a similar adjustment assistance program was successfully adopted by the Common Market in alleviating the hardship which resulted from the elimination of duties between member nations. In this respect, however, the situation is not analogous. The Common Market does not, to our knowledge, intent to substitute adjustment assistance for protective tariffs where an industry within the Common Market will be injured by imports from outside the Common Market. On the contrary, the external tariff wall and quotas of the Common Market are designed to protect its domestic industries.

ADJUSTMENT ASSISTANCE FOR WORKERS

The bill also provides for adjustment assistance to workers adversely affected by imports to be used in lieu of or in conjunction with tariff adjustment (sec. 321–328). These provisions establish a special program of unemployment compensation and training for workers found to have been adversely affected by imports, differing in its terms and benefits from State unemployment compensation programs and the Manpower Development and Training Act of 1962 (Public Law 87–415), signed into law March 15, 1962.

A worker who loses his job on account of imports is placed in a special category from a worker who may lose his job on account of technological changes, the closing of defense plants, shifts in defense production, changes in buying habits of the consumer, exhaustion of mineral resources, or for any other cause. In justification for this "preferred" status, the specious argument is advanced that the worker adversely affected by imports is injured as a result of governmental action—the removal of trade restrictions. There are a myriad of other governmental actions which displace workers. It is doubtful whether the ultimate responsibility for the loss of a job can ever be attributed to any single factor or act of Government. The displacement of a group of workers of the firm producing an article affected by imports, also affects the jobs of workers of other firms supplying services or components to the firm producing the article. The latter receive no special consideration under this bill, although equally affected by the same governmental act.

The lack of employment for a worker seeking a job, or the loss of a job in an industry in which a worker has spent the better part of his productive life, should be avoided, if at all possible. The cause of the worker's misfortune—whether foreign competition, increased automation, technological changes, or product obsolescence—is not a controlling factor. Every effort should be made—particularly at the

State level—to assist the worker to recover from his misfortune. After careful consideration, upon the recommendation of the Committee on Labor and Public Welfare of the Senate and the Committee of Education and Labor of the House, the Congress in this session enacted the Manpower Development and Training Act of 1962 to meet this need. In reporting this act, the Senate Committee on Labor and Public Welfare, said:

> The more rapidly our economy advances, the more rapidly do skills become obsolete. With the growth of automation, we can anticipate that the need for continuous retraining of the labor force will become more and more pressing. Much of this retraining is now carried on by public educational authorities, assisted by the Federal Government's vocational education program, and much is done by private schools. But it is clear that this combined Federal, State, local, and private effort falls far short of the total need, and that without an intensive nationwide program to provide opportunities for retraining, tens of thousands of worthy men and women will never be able to obtain the skills which will enable them to be self-supporting and to make their maximum contribution to the Nation's productivity.
>
> S. 1991 establishes such a program. It directs the Secretary of Labor to take the lead in determining the training needs of the Nation, in consultation with local authorities. It provides funds for establishing training programs, primarily through the existing public educational authorities. It authorizes the payment of subsistence allowances to unemployed persons, who have had 3 years work experience and who are heads of families, during the time they are enrolled in training. It provides that the Secretary of Labor shall report annually on the Nation's manpower requirements and resources, and that the President shall report annually to the Congress (S. Rept. 651, 87th Cong., 1st sess., p. 2).

We fully realize that regardless of the skills or intentions of our negotiators, there is no assurance that some workers may not be adversely affected by increased imports. This may be unavoidable. It should, however, always be held to a minimum. If this does occur, the Manpower Development and Training Act should be adequate to meet the needs of such workers. Their situation is no different than that of other displaced workers for whom this legislation was enacted. There is no justification for setting up legislative preferences as between unemployed workers who are unable to find employment through no fault of their own.

In proposing the Manpower and Training Act, the appropriate committees took into account the level of benefits and the period of time which would be required to retrain a displaced worker. In describing the causes of the unemployment which the act sought to cure, the Senate committee further said:

> The unemployed person whose skills suddenly become obsolete faces special hardships. He may have spent a number of years in his old job and become accustomed to better than average pay, bringing with it a high standard

of living for himself and his family. He will find difficulty in finding a new employer because many companies have age limitations in hiring. He probably has made commitments for payments on his home, life insurance, and other household goods. He may have prepared his children for a college education.

His hopes and his self-respect are in jeopardy—in jeopardy not because of his own shortcomings or because of a temporary recession, but because his employment relationship has been severed permanently. If he is a coal miner, the consumer's need for coal may have been met by other fuels; if a semiskilled factory hand, his firm may have failed or may have been relocated many miles away. *Foreign competition displaces domestic producers.* Machinery and automated equipment eliminate whole employee classifications. These are examples of structural unemployment—unemployment caused by some structural change in the economy—and studies have shown that such unemployment is likely to be of long duration (S. Rept. 651, 87th Cong., 1st sess., p. 11). [Italic added.]

The problem of the worker displaced by foreign competition was thus specifically considered in the enactment of the Manpower Development and Training Act. His needs were deemed to have been adequately provided for in that act. Without professing any extraordinary knowledge in this field, the Ways and Means Committee in reporting out the trade bill proposes a different and more liberal scale of unemployment compensation and training allowances, for a longer period of time, and irrespective of State unemployment compensation standards.

ADJUSTMENT ASSISTANCE PROVISIONS SHOULD BE STRICKEN FROM THE BILL

The undersigned members of the committee are opposed to the adjustment assistance provisions—whether for firms or for workers—irrespective of the preferential treatment provided for workers qualifying for relief under the trade bill. Adjustment assistance insures that the U.S. negotiators will do a poor job of negotiating. Unemployment compensation and retraining, no matter how liberal, are a poor substitute for a job. The removal of the responsibility of the U.S. negotiators in their trade negotiations to protect the job of the American worker represents a basic change of policy which we—and the American worker—should be unwilling to accept. His fellow worker in the Common Market certainly will not be called upon for similar sacrifices.

CONCLUSION

The trade bill (H.R. 11970) as reported by the Ways and Means Committee is an immeasurable improvement over the bill (H.R. 9900) which the Kennedy administration sent to the Congress. The role of the Tariff Commission in determining the economic effect of possible tariff reductions has been reinstated. The escape clause has been strengthened. It is no longer to be regarded as "extraordinary relief". Restrictions have been imposed upon extending the

most-favored-nation principle indiscriminately to other nations regardless whether such nations might be adopting restrictive measures against the United States. Responsibility for the negotiations will be vested in a Special Representative for Trade Negotiations, appointed by and with the advice and consent of the Senate. The staging requirements have been strengthened by striking the provision permitting a reduction in tariffs of up to 5 percent ad valorem in any one year, irrespective of the existing rate of duty. An Interagency Trade Committee has been established to provide a forum for hearings on alleged unfair trade practices in violation of our international agreements. This agency can become an important part of our trade policies and practices. Not only do many of these changes constitute an improvement over the bill as submitted by the administration, but some go beyond existing law.

If it were not for the fact that the Kennedy administration publicized the trade bill as being the means whereby we might obtain economic utopia, we would not have been constrained to sound a note of caution in these separate views. According to the administration, the bill will bring about:

An increase in consumer welfare.
An increase in employment.
An acceleration in the growth of the domestic economy.
Maintenance of our economic leadership in the free world.
An end to Communist economic penetration.
Assistance to developing and emerging nations.
The arresting of our balance-of-payments deficits.
And, to clinch the sale, an end to the drain of our gold reserves.

According to the Kennedy administration, this is all going to be accomplished by the enactment of 12 pages of authority for the President to enter into agreements with the Common Market and other free world nations to lower or remove our tariffs in exchange for reductions in their tariffs or duties. In the face of these extravagant claims, we would be remiss in our duty to the American people if we remained silent. In sounding a note of caution, it is not our intention to express opposition, as such, to legislation for the promotion of reciprocal trade among the nations of the free world.

Noah M. Mason.
John W. Byrnes.
Thomas B. Curtis.
James B. Utt.
Jackson E. Betts.
Bruce Alger.
Steven B. Derounian.
Herman T. Schneebeli.

SEPARATE VIEWS OF HON. THOMAS B. CURTIS ON H.R. 11970

As one of the five Republican members of the Committee on Ways and Means who voted to report H.R. 11970, I wish to take this opportunity to point out what I feel is the need for legislation of this nature and, at the same time, to indicate those provisions of this measure which I believe are undesirable and even dangerous. Both the committee report and the separate Republican views, including the dissents, do an excellent job of bringing into focus the ideas which are embodied in this bill. There are points in each with which I agree, and points in each with which I disagree, as I shall set forth to some degree in this statement.

These views are submitted with the underlying belief that the needs of our time require that the Congress delegate additional authority to the Executive in order to stimulate international trade on a fair and reciprocal basis through entering into further trade agreements with foreign nations.

The primary issue in this area now, as it has been in the past, is not whether we should delegate authority to the President. Our experience in the delegation of these powers under the reciprocal trade agreement program, the delegation of powers over interstate commerce to various agencies under similar constitutional authority and the experience of the Smoot-Hawley Tariff Act of 1930, when Congress last attempted to write the details of tariff legislation, has led to a unanimity of opinion that the Congress should delegate much of this authority either to a tribunal or to the Executive, or both. The primary issue that the Congress must face is that of setting guidelines within which the President may exercise his delegated authority.

On the positive side, this proposal contains new and important guidelines for the exercise of Executive power in the trade field, guidelines vastly improving the manner in which the President may utilize his authority. They consist mainly of procedures, procedures which have been badly needed in our trade program. These procedures, used with wisdom, can be developed into an efficient mechanism establishing certainty, promptness, and justice in matters which touch upon our citizens' property rights and job rights, as affected by our trade agreements.

These new procedures fall into two categories.

First, there are the prenegotiation and negotiating procedures. The great innovation in this area is in the negotiating team. This team will be given greater responsibility and will be no longer a faceless, anonymous group. Together with this responsibility, the negotiating team is to be given greater status. The Chief Negotiator will bear the rank of Ambassador Plenipotentiary and he and his deputy will be appointed by the President subject to confirmation by the Senate. This enhanced status and responsibility will put our negotiating team on a par with those of foreign nations, whose negotiating teams are often led by Cabinet-rank officers.

Second, there are the enforcement procedures. At present there is no established body before which American business and labor can present allegations of unfair trade practices which are in violation of international commercial agreement. This bill establishes such procedures. The Interagency Trade Organization is created as a forum where interested persons can establish the truth of alleged unfair foreign trade restrictions in violation of trade agreements. If the Executive carries out the intent of the Congress when a violation of a trade agreement is established he may withdraw concessions. This can become an important part of our foreign trade policies and practices. It should be pointed out that the Interagency Trade Organization is not set up to hear only the complaints of our domestic industry and labor. It will be available as well for our importers to register complaints of alleged unfair practices by our domestic industry against foreign imports. The importance of this device should not be played down. It can be an effective force in the effort to establish the type of fair trade practices in international commerce which are essential to the stimulation of increased foreign trade.

The escape clause, the national security clause and the peril-point procedure remain, although the unrealistic requirement of specific peril points is eliminated. Commonsense dictates that a good negotiating procedure include the finding of peril points, whether required by Congress or not. It is important for the negotiating team to know what effect concessions would have upon American business and jobs, upon the economy overall. The Committee for Reciprocity Information and the Tariff Commission will continue their previous functions in this area, and the Chief Negotiator will have the responsibility for seeing that this groundwork is accomplished.

In essence, H.R. 11970 is not a new approach to negotiating trade agreements. It is really a refinement of the existing procedure, the last step to be taken under the Smoot-Hawley Tariff Act. After the powers granted by H.R. 11970 have been exercised, we will have little or no trading material left. We will have traded it all away.

There are two dangerous innovations in this bill.

The first is that it may not turn out to be, as the Kennedy administration so vociferously proclaims it to be, a free trading bill. Rather it might well be a measure laying the groundwork for substituting a system of licenses, quotas, Government subsidies, cartels, and other governmental regulations of trade for the tariff mechanism. So employed, it would establish Government control through the exercise of discretionary power in the imposition of these trade limitations and substitute bureaucratic decision for the operation of the marketplace in international trade. Free trade is based upon fair trade and a system of trade regulation which has no basic concept of what constitutes fair and reciprocal trade cannot produce either free or increased trade in the long run.

Western European countries, and most other countries of the world except the United States, have long used these more restrictive and bureaucratic devices for regulating international trade. A trade policy based upon tariffs, if regulation is to be presumed, on the other hand, is more progressive and liberal in that it retains a basic portion of the decision-making function in the marketplace.

It may be that the present administration, under the cloak of free trade, is seeking to substitute these more regressive trade regulators

for the tariff system. It denies that this is the case, but it utilized section 201 of the Agriculture Act in order to bring about an international cartel in textiles at the Geneva Conference in January. The Kennedy administration has opposed attempts to repeal section 201 and has requested, in fact, that this broad section be further broadened so that agreements setting quotas and licenses under it would have application to nations not parties to the agreement. This course of action indicates that there is an intent to utilize this power further. So long as section 201 remains on the books, the beneficial procedures of H.R. 11970, establishing rights in our citizens as opposed to privileges, to be handed out at will by the Executive bureaucracy, become almost meaningless.

The second dangerous innovation is the concept of relief provided in the trade adjustment sections of the bill. Relief is not limited to governmental aid so a business can move out of a field in which it cannot efficiently compete with foreign concerns, relief may be a subsidy to enable a business to become sufficiently "efficient" to compete.

The difference can be illustrated by an actual case. Our west coast tuna fishermen were having a difficult time competing with the Japanese tuna fishermen. Tariff increases were requested and denied. Instead, the Government, because private bankers would not, lent money to certain of the tuna fishermen to "modernize" their boats. Note: The net result is the same, the fishermen stayed in business. Or at least the objective was the same. The difference, however, is quite marked when one realizes that if the tariff had been used to help the west coast tuna fishermen, then all tuna fishermen would have had an equal opportunity of modernizing their boats and the ones who proved to be the most efficient would have been successful. When a Government loan, which is a subsidy, is used, the tuna fishermen who had the ability to persuade the Federal bureaucrats to grant a loan were the ones who survived. Thus the survivors could be the less efficient fishermen, but the more proficient persuaders.

I join in the views expressed by my colleagues which more fully criticize the trade adjustment sections of this bill. I wish to emphasize, however. that the reason we oppose them, and seek to eliminate them, is because we are concerned about the damage that unfair foreign trade competition can do to our workers and our industries, and the inadequacies of these provisions for repairing the damage done. The best thing to do is to avoid the wound, not bare our breast to it and concentrate on the first aid treatment of it.

If the wound does come about we already have mechanisms for the assistance of small businesses to enter fields in which they can compete. We recently passed the Manpower Training Act for the retraining of workers, if the overreaching reasons of national policy requires that tariffs be lowered to the point at which these workers and businesses sustain economic injury. It is shameful that the administration ignores the mechanisms that already exist and seeks to impose upon them new systems, conflicting and competing with them. Following this path will damage the good programs we have, including the unemployment insurance program, and will fail to produce the results sought.

It is also unfortunate that administration spokesmen have, in their appearances before the committee, been so irresponsible in responding

to questions about how the powers granted in H.R. 11970 would be carried out with respect to the GATT, section 4 of NATO, the OECD and the U.N. If thought had been given to the integration of H.R. 11970 into these important international organizations, the administration officials were not sharing them with the committee. It is difficult to decide whether lack of candor is more ominous for the future of our country than is ignorance.

In conclusion I would like, once again, to note the inconsistency of the goals established for this bill and the effects of the foreign tax provisions of H.R. 10650, passed by this body and now under study by the Senate Finance Committee. We are asked by passing this bill to help build a stronger international community through the ties of commerce; the foreign tax provisions of the tax revision bill, on the other hand, hobble the operation of American companies working abroad in the market they serve and go far toward severing an important part of the commercial ties which can help strengthen the nternational community of nations.

ADDITIONAL VIEWS OF HON. STEVEN B. DEROUNIAN ON H.R. 11970

While I share the views of the other Republican members of the committee with respect to the deficiencies in H.R. 11970, as well as the attitude of the Kennedy administration in its approach to trade negotiations, I am constrained to support the bill.

H.R. 9900, as presented by the Kennedy administration, provided for a complete surrender of the Congress to the Executive of all congressional authority over trade matters without an opportunity for those adversely affected to be heard except at the discretion of the Executive. I was unalterably opposed to that bill.

Fortunately, however, the bill reported out by the committee is more nearly in conformity with existing law. H.R. 11970 retains the concept of the "peril-point" function of the Tariff Commission. The escape-clause procedure has been reinstated, not as "extraordinary relief," but on an equal basis with the so-called "adjustment assistance" provisions. The vote of a majority of the Congress can institute escape clause relief. The bill now provides for the appointment of a Chief Negotiator, subject to confirmation by the Senate, thereby fixing the responsibility for trade negotiations. The bill provides for retaliatory action where other nations discriminate against U.S. imports. In many respects, H.R. 11970 is an improvement over existing law.

While I will vote in support of the bill, I would still favor eliminating those provisions relating to "adjustment assistance." A Federal "dole" is no substitute for sales and jobs.

I am also very much concerned over the attitude of the Kennedy administration in negotiations with the European Economic Community, and particularly the failure of the administration to realize that trade is a weapon being used by the Communists in the cold war. When the United States, or the other free nations, trade with the Communists, we are helping them to destroy us. The so-called "Ball report," prepared by Under Secretary of State George W. Ball for the President, recommended a defeatist attitude toward Communist trade, which I am not willing to accept. Trading with the Communists does not advance the cause of the free world. The Kennedy administration must make greater efforts to curtail trade between our allies and the Communist world.

STEVEN B. DEROUNIAN.

ADDITIONAL VIEWS OF MESSRS. MASON, KNOX, UTT, BETTS, AND ALGER IN OPPOSITION TO H.R. 11970

The undersigned generally support the separate views of our Republican colleagues. We feel they contain statements, however, which tend to oversimplify the problems and objectives of the bill. We differ because we believe that the bill as a whole is not an improvement over existing law.

Since we oppose H.R. 11970, we feel compelled to express our own views in addition to those set forth by our colleagues in their separate views.

In our opinion H.R. 11970 has the following further specific major defects:

(1) It licenses the President to cause injury to domestic industries and workers; intends that this be done; and provides for a Federal dole to workers and subsidies to business to deal with the anticipated distress.

(2) It transforms the trade agreements program from an instrument for the expansion of U.S. exports into a kind of foreign-aid or diplomatic currency for use in accomplishing nontrade objectives, such as strengthening economic relations with foreign countries, assisting in the progress of less developed countries, and preventing Communist penetration; this is the necessary effect of the multiple statement of purposes (sec. 102) and the words empowering the President to make agreements and proclaim reductions or eliminations of duty *whenever he determines "that any of the purposes"* stated in section 102 "will be promoted." This has nothing to do with expansion of U.S. exports, or strengthening the U.S. economy; we are spending enough of our treasure for foreign aid without throwing our domestic market onto the pile as well.

(3) It assumes, illogically we believe, that total elimination of U.S. duties on industrial and agricultural products (and, as it happens, of many fishery products, through the 5-percent duty elimination authority of sec. 202), made ostensibly for Europe's benefit, but extended to Japan and all the free world under our most-favored-nation policy, will benefit rather than harm our internal domestic economy. The history of trade agreements authority is that authority once given never lapses; it is fully used. To empower the President to *eliminate* duties, as H.R. 11970 does under a variety of headings, will result in 5 years in agreements transferring en masse our vitally important protective duties on industrial, agricultural, fishery, and mineral products to the free list. Without meaningful safeguards, this courts disaster with an open hand.

(4) By providing the President with the appealing largess of the Federal Treasury for exercises in magnanimity with the displaced workers of the new trade program as an alternative to the stern tasks of diplomacy implied by the recent Common Market retaliation against our carpet and glass tariff adjustments, escape-clause relief in the form of tariff action to preserve the strength of our domestic

industries against unfair low-cost foreign competition will quickly become part of the forgotten lore of the past. This bill, H.R. 11970, will put an end to tariff adjustment by the Executive. Congress has already put an end to such adjustment by legislative initiative. We refuse to believe that the exigencies of this or any age require that we in the Congress make a dead letter of article I, section 8, of the Constitution; hence, we must out of a decent respect for our oath to uphold and defend that Constitution cast our vote against H.R. 11970.

Our concern is the strength of our domestic economy. We refuse to believe that the present emulation by Western Europe of our 173-year demonstration of a common market requires us to dismantle in haste the external tariff policy which has served to knit our strength. We reject the notion that the imbalance in payments our defense of Europe entails requires that we throw overboard the means for balance in our regulation of imports. We will not take a hand in sewing cockle in our rich American economic fields. If the administration would discover the secret of European economic growth, let us suggest that the integrity of the Common Market achieved by the external tariff and the lightened load of governmental budgets eased by our own generosity in assuming their military defense and foreign aid responsibilities toward others are not inconsiderable factors. Instead of dismantling our external tariff (modest though it is at today's 12-percent level) and adding to the burden of our foreign military and economic aid, we might experiment with the reverse situation: Preserve our external economic tariff belt, expedite depreciation allowance tax reform, and lighten the tax load of foreign aid dollars resting so heavily on our business organizations.[1]

For more than 4 years unemployment in the United States has been running at the rate of 6 percent or more of the labor force. The latest available figures show that it is still in that range.[2] In seven countries of Western Europe, unemployment is below 2 percent, in two countries, below 5 percent.[3] In Japan, unemployment is less than 1 percent.[4] Labor shortages are known to be "fairly general" in the northern areas of the Common Market.[5] So unemployment is becoming uniquely our problem, not that of our trading partners. Their economies are growing at a rate at least twice (Europe) to three times (Japan) ours.[6] At present rates of duty, we are told by the Secretary of the Treasury to expect a "sharp increase in imports" over 1961's level,[7] and these rates are to be further reduced 20 percent as a result of the recently concluded "Dillon round" of tariff negotiations. We must therefore recognize that it is upon this rising volume of imports that the effects of still further duty reductions or eliminations under H.R. 11970 would be based. The intensified rise in volume is obviously unnecessary to sustain full employment abroad. What consequences can possibly flow for our own labor force from such an accelerated

[1] See "Keeping Competitive," Wall Street Journal, June 5, 1962, Congressional Record, June 8, 1962 p. 9292.
[2] U.S. Department of Labor, Employment and Earnings, May 1962.
[3] OEEC, Twelfth Annual Economic Review; cf. International Labor Review, Statistical Supplement, May 1962.
[4] International Labor Review, Statistical Supplement, May 1962.
[5] EEC, Information Memo. p. 8119, April 1962.
[6] OEEC, Twelfth Annual Economic Review, p. 146; Business Cycle Developments, U.S. Department of Commerce, May 1962, p. 28; Annual Report of the President's Council of Economic Advisers, table 11.
[7] Report to the President on the Balance of Payments, Mar. 26, 1962, p. 12.

increase in imports, but more unemployment?[8] The administration's proposal, now seconded by the majority of this committee, to create a preferred class of unemployed with a special claim on state unemployment compensation payments will solve nothing. Indeed, it will create an inequity as between classes of unemployed in the States today which will provide tomorrow's argument for increasing all other unemployment benefits to correct the inequity. This is a familiar technique in labor negotiations, but scarcely amounts to the order of economic statesmanship needed to get America on the move. Wages for a growing labor force paid out of wealth generated by increased production is the need—not benefit payments for a growing unemployed force paid out of the tax burden of a retarded industrial economy.

We recommend that the matter of trade agreement authority be deferred for 1 or 2 years, while more study and attention are given to developments in the Common Market, and the impact of further tariff reductions on the strength of our domestic economy. If and when new authority is given to the President, it should be done, as in the past, under the framework of our traditional trade agreements legislation, with strengthened peril-point and escape-clause provisions.

Noah M. Mason.
Victor A. Knox.
James B. Utt.
Jackson E. Betts.
Bruce Alger.

[8] The President's message (H. Doc. 314, 87th Cong.) states that the "more liberal trade policy" he advocates "will in general benefit our most efficient and expanding industries." But these industries do not appear to create new jobs as they expand. The "efficient and expanding industries" are those which are characterized by technological change and increased productivity. In an article "Technological Change and Employment," to appear in the Monthly Labor Review, July 1962, top officials of the Bureau of Labor Statistics point out that *decreases* in employment associated with increased productivity amounted to an average of 200,000 jobs *per year* during the period 1953–59. And, they estimate that *during the next decade* "it does not appear unreasonable that gains in output per man-hour in many industries will be associated with decreases in employment amounting to at least 100,000 workers per year, on the average." The authors point out that at the current level of civilian employment, if output per man-hour in the total economy were to increase at the rate of 3 percent a year, output of goods and services "would have to increase fast enough to provide about 2 million jobs per year *in order to retain the same level of employment.*" [Emphasis added.] This is on top of the new jobs which must be provided for over 1 million net additions to the labor force each year. In the face of this evaluation, we cannot be sanguine as to the *employment* benefits which *might* occur as our "most efficient" industries expand their exports. We cannot be complacent about the absolute displacement of employment which is occurring now, and which will occur on an accelerated basis as a result of shrply increased mports, if the deep tariff reductions or duty eliminations authorized by H.R 11970 occur. As the CED observed, "The rates that now remain after a generation of reciprocal reductions are the hard cases, the rates that have been difficult to reduce because they protect industries that are sensitive to import competition" ("A New Trade Policy for the United States," April 1962, p. 6).

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basis, and restated the application of the act to the 11 watershed improvement programs authorized by the Flood Control Act of 1944. p. 10406

By Rep. Smith, Miss., to provide that the Secretary shall undertake joint planning with other Federal agencies in preparing watershed plans which will significantly affect water resources development activities in areas downstream from the watershed. p. 10407

By Rep. Reuss to prohibit the Secretary from entering into agreements on farms in N. Dak., S. Dak., or Minn., to provide financial or technical assistance for wetland drainage if Interior has made a finding that wildlife preservation will be materially harmed. pp. 10407-8

By Rep. Cooley to provide that no land-use adjustment agreement shall be made covering land on which the ownership has changed in the two-year period preceding the first year of the contract period unless the new ownership was acquired as a result of the death of the previous owner, the land becomes a part of an existing farm or ranch, or the land is combined with other land as a farming or ranching enterprise which the Secretary determines will effectuate the purpose of the program. pp. 10409-10

By Rep. May declaring it to be the sense of Congress that the President should take immediate steps to make surplus agricultural commodities available to those Chinese refugees who have fled to Hong Kong. p. 10410

By Rep. McIntire, 127 to 84, to delete title III from the bill which would have exempted potatoes for dehydrating from the authority for the issuance of marketing orders. pp. 10411-2

Rejected the following amendments:

By Rep. Findley, 106 to 142, to prohibit the Secretary from providing assistance to any farm or ranch for the development of recreation resources unless they will be available on a nonsegregated basis and the owners and operators agree to maintain and operate such facilities on a nonsegregated basis. pp. 10403-4

By Rep. Findley to provide that the public recreation facilities developed under the land-use adjustment program shall be nonsegregated. pp. 10406-7

By Rep. Derwinski to provide that foreign currencies may be used for farm improvement loans to individuals in Communist countries where surplus agricultural commodities are sold. pp. 10410-1

Rejected a motion by Rep. Gross to strike out the enacting clause. p. 10401

2. FOREIGN TRADE. As reported (See Digest 95), H. R. 11970, the proposed Trade Expansion Act of 1962, includes provisions as follows:

Extends the authority of the President to enter into foreign trade agreements from July 1, 1962, through June 30, 1967.

Provides the President with basic authority to reduce duties by 50 percent of the July 1, 1962, level and to increase duties to 50 percent over the July 1, 1934, level.

Authorizes the President to reduce by more than 50 percent duties on articles within categories when he has determined that the U. S. and the countries composing the European Economic Community together account for 80 percent or more of the free world trade in such categories of articles in a representative period.

Authorizes the President, in an agreement with the EEC, to reduce by more than 50 percent duties on articles referred to in Agricultural Handbook No. 143, as issued in Sept. 1959, whenever the President determines that such an agreement will tend to assure the maintenance or expansion of U. S. exports of like articles.

Authorizes the President to reduce by more than 50 percent duties on tropical agricultural or forestry commodities whenever he determines that like commodities are not produced in significant quantities in the U.S., provided EEC had made certain commitments on duties and restrictions on the importation

of such commodities.

Provides that the President may reduce duties by more than 50 percent where the rate was 5 percent ad valorem or less on July 1, 1962.

Requires the President, in certain circumstances, to reserve from negotiations any article with respect to which the Tariff Commission found that imports of such article were seriously injuring or threatening such injury to the domestic industry concerned. Retains present provisions of law governing the authority of the President to take action to adjust the level of imports when he finds they threaten to impair the national security. Requires, in general, that tariff reductions would be made in no less than five annual stages, except in the case of the tropical commodity authority.

Requires the President to furnish the Tariff Commission with a list of articles which he contemplates negotiating upon, and the Commission to advise him as to the economic effect of any proposed trade agreement action. Requires hearings by the Tariff Commission or any committee established by the President for interested persons to present their views on proposed trade agreement actions.

Requires the President to appoint a Special Representative for Trade Negotiations who would be chief U. S. representative on trade negotiations. Requires the President to establish a Cabinet-level interagency trade organization to advise him on trade agreement matters.

Provides that any firm, group of workers, or industry seeking tariff adjustment may petition the Tariff Commission and that the Commission shall make an investigation and report the results to the President. After receiving a report containing affirmative findings the President is authorized to raise the tariff or impose quotas, or both. In cases where the President does not take the action found by the Tariff Commission to be necessary, the Congress may require such action be taken by adoption by each House of a resolution approving the action found by the Commission to be necessary.

13. PATENTS. The Judiciary Committee reported without amendment H. R. 10966, to fix the fees payable to the Patent Office (H. Rept. 1850). p. 10438

14. PURCHASING. Received from GAO a report on the audit of the general supply fund, GSA, for fiscal year 1961. p. 10438

15. REPORTS. The "Daily Digest" states that the Government Operations Committee "Met in executive session and adopted...reports entitled...'Commingling of United States and Communist Foreign Aid'; and 'Availability of Information From Federal Departments and Agencies (Telephone Monitoring, Second Review).'" p. D495

16. SUGAR. Rep. Curtis, Mo., criticized the administration's trade policies and inserted a statement of Rep. Findley criticizing the sugar bill. p. 10429

17. TEXTILES. Rep. Jonas criticized the Tariff Commission for delay in a decision on textiles and said, "Further delay by the Commission in announcing its decision simply compounds the injury and damage being done to the domestic textile industry." pp. 10429-30

ITEMS IN APPENDIX

18. CONSERVATION; WILDLIFE. Extension of remarks of Sen. Metcalf urging enactment of his proposed bill which would preclude destruction of fish, wildlife, and recreation values by construction of Federal-aid highways. pp. A4628-9

19. FARM PROGRAM. Extension of remarks of Reps. Bray, Harvey, Dorn, and Pirnie inserting articles opposing the proposed farm bill. pp. A4634, A 4636, A4660, A4666

Digest of CONGRESSIONAL PROCEEDINGS
OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For information only; should not be quoted or cited)

Issued June 27, 1962
For actions of June 26, 1962
87th-2d, No. 106

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HIGHLIGHTS: Senate committee reported sugar bill. House Rules Committee cleared foreign trade bill. Rep. Dole criticized Secretary Freeman's handling of Estes case. Senate passed bill to grant national forest status to Taylor Grazing Act lands.

SENATE

1. SUGAR. The Finance Committee reported with amendment H. R. 12154, the sugar bill (S. Rept. 1631)(p. 10834). This bill was made the unfinished business (p. 10881). Sen. Morton submitted two amendments intended to be proposed to the bill (p. 10834).

2. FORESTRY. Passed without amendment H. R. 9822, to grant national forest status to lands within the exterior boundaries of national forests acquired under the exchange provisions of the Taylor Grazing Act. This bill will now be sent to the President. pp. 10870-1

Passed as reported S. 3112, to add approximately 18,100 acres of land-utilization project lands to the Pike National Forest in Colo., and approximately 249,700 acres of such lands to the Carson and Santa Fe National Forests in N. Mex. pp. 10869-70

3. CONTRACTS: DEFENSE PRODUCTION. Concurred in the House amendment to S. 3203, to extend the Defense Production Act for two years, until June 30, 1964. This bill will now be sent to the President. pp. 10871-2

4. EXPORT CONTROL. Conferees were appointed by both Houses on S. 3161, to continue the authority for regulation of exports for three years, until June 30, 1965. pp. 10879, 10921-2

5. FARM LABOR. Sen. Williams, N. J., criticized opposition to S. 1129, to authorize the Secretary of Labor to provide improved programs of recruitment, transportation, etc., for agricultural workers, stated that "some of the Nation's most powerful farm interests have launched a massive and deliberate campaign" against the bill, and inserted several items on the matter. pp. 10849-51

6. RECLAMATION. Passed as reported S. 405, to authorize construction of the Mann Creek reclamation project, Ida. pp. 10864-5
Passed as reported S. 114, to authorize construction of the Waurika reclamation project, Okla. pp. 10865-7

7. TOBACCO. Sen. Neuberger commended the decision of the board of trustees of the American Medical Association directing its council on drugs to study and report upon the relationship between tobacco and disease. p. 10835

8. INSPECTION; RESEARCH. The Foreign Relations Committee tentatively approved for reporting H. R. 8982, to authorize construction of a bridge across the Rio Grande at or near Heath Crossing, Tex., and H. R. 9883, to authorize construction of a toll bridge across the Rio Grande near Los Indios, Tex. p. D519

9. GRAIN TRADING. Sen. Pearson commended the Kansas City Board of Trade for its "important contribution to the efficient handling of the complex trading system developed to handle grain," and inserted an editorial commending the Board. pp. 10838-40

10. FOREIGN TRADE. Sen. Morton inserted an analysis he had prepared on devices other than tariffs and duties that are "used by many foreign nations to discriminate against imported products." p. 10838

11. PEACE CORPS. Sen. Humphrey commended and inserted two items commending the work of the Peace Corps on its first anniversary. pp. 10846-9

12. ECONOMIC GROWTH. Sen. Goldwater inserted an address by Dr. Raymond J. Saulnier, "The Developing Dialog on Economic Growth." pp. 10854-7
Sen. Proxmire commended the President's call "for a debate on economic policy," and discussed the economic situation with Sens. Robertson and Russell. pp. 10861-4

HOUSE

13. FOREIGN TRADE. The Rules Committee reported a resolution for the consideration of H. R. 11970, the proposed Trade Expansion Act of 1962. pp. 10901, 10950, D523

14. PERSONNEL. The Ways and Means Committee reported without amendment H. R. 12180 to extend until July 1, 1964, the existing provisions of law relating to the free importation of personal and household effects brought into the U. S. under Government orders (H. Rept. 1920). p. 10950

15. TAXATION. Received the conference report on H. R. 11879 to provide a 1-year

87TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
2d Session } { No. 1924

CONSIDERATION OF H.R. 11970

JUNE 26, 1962.—Referred to the House Calendar and ordered to be printed

Mr. BOLLING, from the Committee on Rules, submitted the following

REPORT

[To accompany H. Res. 712]

The Committee on Rules, having had under consideration House Resolution 712, report the same to the House with the recommendation that the resolution do pass.

House Calendar No. 271

87TH CONGRESS
2D SESSION

H. RES. 712

[Report No. 1924]

IN THE HOUSE OF REPRESENTATIVES

JUNE 26, 1962

Mr. BOLLING, from the Committee on Rules, reported the following resolution; which was referred to the House Calendar and ordered to be printed

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RESOLUTION

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill, and shall continue not to exceed eight hours, to be equally divided and controlled by the chairman and ranking minority member of the Com-

mittee on Ways and Means, the bill shall be considered as having been read for amendment. No amendment shall be in order to said bill except amendments offered by direction of the Committee on Ways and Means, but said amendments shall not be subject to amendment. At the conclusion of such consideration, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit, with or without instructions.

House Calendar No. 271

87TH CONGRESS
2D SESSION

H. RES. 712

[Report No. 1924]

RESOLUTION

Providing for the consideration of H.R. 11970, a bill to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes.

By Mr. BOLLING

JUNE 26, 1962

Referred to the House Calendar and ordered to be printed

ernment funds as may be necessary to accomplish the purposes of this Act;

"(2) employment or assignment of Foreign Service Reserve officers for the duration of operations under this Act;

"(3) exchange of funds without regard to section 3651 of the Revised Statutes (31 U.S.C. 543), and loss by exchange;

"(4) expenses authorized by the Foreign Service Act of 1946, as amended (22 U.S.C. 801 et seq.), not otherwise provided for;

"(5) expenses authorized by the Act of August 1, 1956 (70 Stat. 890–892), as amended; and

"(6) all other expenses determined by the President to be necessary to carry out the purposes of this Act.

"(b) Except as may be expressly provided to the contrary in this Act, all determinations, authorizations, regulations, orders, contracts, agreements and other actions issued, undertaken, or entered into under authority of any provision of law repealed by this Act shall continue in full force and effect until modified, revoked, or superseded under the authority of this Act.

"SEC. 6. Subsections (a), (c), and (d) of section 405 of the Mutual Security Act of 1954, as amended, subsection (c) of section 451 of the said Act, and the last sentence of section 2(a) of the Act of July 14, 1960 (74 Stat. 504), are hereby repealed.

"SEC. 7. Until the enactment of legislation appropriating funds for activities under this Act, such activities may be conducted with funds made available under section 451(a) of the Foreign Assistance Act of 1961, as amended."

FRANCIS E. WALTER,
MICHAEL A. FEIGHAN,
FRANK CHELF,
RICHARD H. POFF,
ARCH A. MOORE, JR.,
Managers on the Part of the House.

TRADE EXPANSION ACT OF 1962

Mr. BOLLING, from the Committee on Rules, reported the following privileged resolution (H. Res. 712, Rept. No. 1924), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill, and shall continue not to exceed eight hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be considered as having been read for amendment. No amendment shall be in order to said bill except amendments offered by direction of the Committee on Ways and Means, but said amendments shall not be subject to amendment. At the conclusion of such consideration, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit, with or without instructions.

VACCINATION ASSISTANCE ACT OF 1962

Mr. SISK. Mr. Speaker, by direction of the Committee on Rules I call up House Resolution 699 and ask for its immediate consideration.

The Clerk read the resolution as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 10541) to assist States and communities to carry out intensive vaccination programs designed to protect their populations, especially all preschool children, against poliomyelitis, diphtheria, whooping cough, and tetanus, and against other diseases, which may in the future become susceptible of practical elimination as a public health problem through such programs. After general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the substitute amendment recommended by the Committee on Interstate and Foreign Commerce now printed in the bill, and such substitute for the purpose of amendment shall be considered under the five-minute rule as an original bill. At the conclusion of such consideration the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any of the amendments adopted in the Committee of the Whole to the bill or committee substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

Mr. SISK. Mr. Speaker, I ask unanimous consent that House Resolution 699 be amended to strike out on page 2, line 2, the word "Judiciary" and insert "Interstate and Foreign Commerce".

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. SISK. Mr. Speaker, I yield 30 minutes to the gentlewoman from New York [Mrs. ST. GEORGE] and, pending that, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 699 provides for the consideration of H.R. 10541, a bill to assist States and communities to carry out intensive vaccination programs designed to protect their populations, especially all preschool children, against poliomyelitis, diphtheria, whooping cough, and tetanus, and against other diseases which may in the future become susceptible of practical elimination as a public health problem through such programs. The resolution provides for an open rule with 2 hours of general debate.

The purpose of H.R. 10541 is to authorize a 3-year program of special project grants to States and, with State approval, to local communities, for intensive vaccination programs against the four diseases which constitute significant public health problems. The intensive programs contemplated by the legislation must be aimed at immunizing practically all susceptible persons in the community, and particularly children under 5 years of age.

Under the provisions of the bill, Federal grant funds may be used for the purchase of vaccine for children under 5 years of age and for the salaries and related expenses of additional State and local health personnel required for planning, organizational, and promotional activities in connection with intensive community programs, and to maintain the epidemiologic and laboratory surveillance required.

The States and communities, for their part, would be responsible for supporting, through public funds or otherwise, all other elements of the intensive programs.

The methods of organizing and conducting local programs would be left to State and local determinations.

The maximum appropriation authorized by the legislation for grants would be $14 million for the fiscal year ending June 30, 1963, and $11 million for each of the 2 succeeding fiscal years.

Mr. Speaker, I urge the adoption of House Resolution 699.

Mrs. ST. GEORGE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this rule makes in order consideration of H.R. 10541, a bill that my colleague from California [Mr. SISK] has gone into and explained. It is a simple bill, Mr. Speaker. But on the other hand it seems to some of us a little bit astonishing that at this time in our development as a nation we need to go into vaccination on such a big scale. It was my impression at least that we were pretty well taken care of in this respect. Now we find that far from being taken care of we have got to go out and spend in the next 3 years an additional $36 million to have this program carried through in the proper manner.

Certainly no one in this country or in this Congress could oppose vaccination. On the other hand, there are some people who, for religious and conscientious reasons, have reservations against vaccination. It is my understanding that in this bill they will not be compelled to accept it against their own wishes or against the dictates of their conscience.

Apart from this one criticism, I have not yet had it successfully explained to me why so much money is needed and why the program has to be so greatly enlarged. I can see no possible objection to this resolution and I hope it will pass.

Mr. McCULLOCH. Mr. Speaker, will the gentlewoman from New York yield to me for a unanimous-consent request?

Mrs. ST. GEORGE. I yield to the gentleman.

Mr. McCULLOCH. Mr. Speaker, I ask unanimous consent that the remarks I made earlier today under the 1-minute rule be carried at the end of the proceedings of the legislative day; and that I be permitted to include therein the majority opinion of the Supreme Court in the case that has been discussed so much here today, together with the concurring opinion of Mr. Justice Douglas and the dissenting opinion of Mr. Justice Stewart.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. SISK. Mr. Speaker, I yield 2 minutes to the gentleman from Mississippi [Mr. WILLIAMS].

(Mr. WILLIAMS asked and was given permission to revise and extend his remarks, and to speak out of order.)

ONE NATION UNDER GOD

Mr. WILLIAMS. Mr. Speaker, I am sure most Americans were as shocked and outraged as I was by the Supreme Court's decision of yesterday, which had the effect of outlawing prayer in our public schools. Surely no action ever taken by an agency of Government in America has been so destructive of the basic foundations of our society. The implications of this decision and the interpretations which it suggests, are more terrifying, even than the threats of another war.

Mr. Speaker, I will have more to say on this subject in days to come, as I am sure will others who can detect in this and other recent actions a deliberate and carefully planned conspiracy to substitute materialism for spiritual values, and thus to communize America.

Mr. Speaker, in all our highly vaunted 20th century wisdom, which has enabled us to split the atom and to send men around the earth in space, there has yet to be found a suitable substitute for faith in the existence of a Supreme Being, the edict of the Supreme Court to the contrary notwithstanding.

Recently, I came into possession of a copy of an address delivered in Jackson, Miss., to the annual convention of the Mississippi Congress of Parents and Teachers, on April 11, 1962, by Dr. W. Douglas Hudgins, pastor of the First Baptist Church of Jackson, and entitled "One Nation Under God."

This address is of such significance, and is such an excellent analysis of the American system and all that it means, that I shall include its text as part of my remarks. In the light of yesterday's revolutionary ruling by the Supreme Court, this address should be of special interest to Members of Congress and Americans everywhere who still look upon our great country as one nation under God.

Mr. Speaker, I ask unanimous consent to include as part of my remarks the text of an address delivered by Dr. W. Douglas Hudgins, pastor of the First Baptist Church, Jackson, Miss., entitled "One Nation Under God."

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

(The matter referred to follows:)

ONE NATION, UNDER GOD

(By Dr. W. Douglas Hudgins)

"One Nation Under God." You will recognize today's subject as a phrase from the meaningful "Pledge of Allegiance to the Flag of the United States." After years of use, the pledge was changed by a 1954 congressional resolution which added the words, "Under God." Currently it sets forth this: "I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all."

Are we really one nation under God? If we would listen to the loudest voices of our current moment we would be led to believe that we are one world without God. Within recent hours, in the city of Washington, the attorney general of this State, the Honorable Joe Patterson, has been serving with many other attorneys general as a "friend of the court" in a legal hearing having to do with the principle of offering prayer to God in the public school room.

Less than a year ago, to the amazement of millions of God-fearing citizens of this Nation, the Supreme Court ruled that "it is unconstitutional" for the Federal Government or any State "to require a belief in the existence of God" as a qualification for public office. Such an unprecedented capitulation to Marxism paganism and blatant atheism left Christian America stunned, and now the legal move on the part of similar pagans to ban a simple classroom prayer offered to Almighty God shocks us back into sensibility. If such a governmental trend continues we might soon be called upon to turn in all our cash because it bears the motto, "In God We Trust."

In July of 1961 David Lawrence, in his syndicated column, made this significant comment: "From the time of our earliest history our peoples and our institutions have reflected the traditional concept that our Nation was founded on a fundamental belief in God. On July 4, 1776, our Founding Fathers proclaimed our Declaration of Independence which no less than four times refers to the existence of the Creator. This same document appeals to 'The Supreme Judge of the World' that this Nation be free, and pledges our Nation to support the declaration with a firm reliance on the protection of divine providence."

Look, if you please, at where we are in this moment. The Supreme Court has decreed that "belief in the existence of God" is no longer necessary as a requirement for public office, and even while we are here assembled today the basic religious principle of prayer to the God of all peoples is having to be defended against a minority pressure from atheists, agnostics, freethinkers, and "intellectuals" who have outgrown their need for the Divine.

For many years we have boasted of the fact that we live in the greatest democracy in the world. Actually, we do not live in a democracy. We live in a republic, for our manner and method of government is by and through those elected representatives whom we elect to public office. We do not make our laws or issue edicts for ourselves. Those whom we elect do, but we cannot be unaware of the fact that the judicial branch of our Government has taken unto itself by unprecedented presumption the actual task of governing by the route of unwarranted interpretations of our Constitution.

The fact that those who seek to chip away, little by little, our basic tenets and our unabashed faith in God are very much in the minority is one of the deeply serious aspects of our present plight. Let me remind you that we are a nation of 180 million people. Of this number only one-tenth are of an ethnic group much in the limelight for the past several years. But, this decided minority, by shrewd political maneuvering and tremendous public image, aided and abetted by a philosophy not indigenous to our shores, has forced its will and injected its presence by force and legal chicanery upon the nine-tenths of our citizenship. Politically, it is a well-known fact that each of the major political parties seeks the support of this ethnic minority, as well as other minorities in labor, education, and economics, to swing an election in its favor. Thus, as was evident a year and a half ago, the support of small minorities may swing a very close election one way or the other. I make no apology for giving voice to my feeling of deep concern over such a procedure of pressure on the great majority by any small minority of our population.

We need to remind ourselves that a gradual departure from what most of us believe to be constitutional Government began a generation ago. Following the debacle of 1929, our Nation suffered through the agonies of the great depression. Banks were closed, jobs were nonexistent, fortunes were lost, suicides were common, suffering was intense. The great industrial bubble had burst. The jazz age was over. In such a perilous plight our beloved country, many believed, would rediscover its soul and return in repetence to the Almighty. But, that did not happen. Instead, under the leadership of a man who spoke of the "fear of fear," America swapped its birthright of individual freedom and liberty for the bread of economic improvement and allowed the Federal Government to assume the responsibilities of the individual and the States. Sweeping changes in our way of life were instituted and the trend has continued unabated. The crisis of World War II aggravated the situation, and events since have not lessened the trend.

From the questionable concessions at Yalta, through the tragedy of Korea, the stalemate in Berlin, the fiasco in Cuba, the impasse in South Vietnam, and the impotence of the United Nations, our national prestige has gone down and down, until today in many areas we are laughed to scorn, in others spat upon, and in some, violently hated. Taking money from your pocket and mine our Government has sought to be a "benevolent Santa Claus" to many of the nations of the world only to learn at long last that we are despised for our kindness and hated for our paternalism. Our coffers are more than empty and our national debt is staggering. As a nation we owe more than $300 billion—or approximately $1,650 for every man, woman, and child in our Nation. Just to pay the interest, it takes more than $10 billion of our national budget each 12 months, and with each passing year Congress seems eagerly willing to lift the ceiling. As the national budget annually approaches the astronomical figure of $100 billion we cannot help observing that our moral problems increase and our departure from individual responsibility to God accelerates with each passing year.

I am not a pessimist. As a Christian I cannot be, for I believe that the Eternally Sovereign God has not taken His hands off the reins of the affairs of men. But, I am not a utopian optimist. "Pollyannism" died 30 years ago. And, how well I agree with someone who said, "You cannot anesthetize the future by hoping for the best." Maybe I am a cross between the two; maybe I am a "possimist." Actually, I hope I am a Christian realist. As a realist, I feel a deep conviction that this treasured Nation of ours is facing its moment of greatest crisis.

Early in 1960 I delivered a sermon in my pulpit here in this city on the subject, "Decade of Destiny." In it I said that "the future of America and its role in the world depends on what it does with itself in the decade of the sixties. When 1970 arrives we will have decided our fate." That, I still believe. The 10 years in which we are living will prove to be a decade of destiny. Will we still be one Nation under God—or will we have succumbed to the insidious materialism of current paganism and decided that we no longer need recognize the reality and sovereignty of the Eternal God?

Some four and a half centuries before the coming of Christ a serious, strange, mystic, and brave man had the courage to utter a word of warning to his nation. That man was the Prophet Jeremiah; the nation was Judah; and the record is carried in the Old Testament book that bears the prophet's name. In the second chapter of that book there is this warning: "Hath a nation changed its gods? But my people have changed their glory for that which doth not profit. They have forsaken me, the fountain of living waters, and hewed them out

Concluded testimony from public witnesses, and announced that Members of Congress would be heard Thursday, June 28.

TRADE EXPANSION ACT

Committee on Rules: Granted a closed rule, waiving points of order, with 8 hours of debate, on H.R. 11970, the Trade Expansion Act of 1962.

Representatives Shriver, Hechler, Saylor, and Moore were heard on the request for a rule.

BUREAU OF STANDARDS

Committee on Science and Astronautics: Held a hearing on H.R. 11561, relating to the Organic Act of the National Bureau of Standards. Testimony was given by A. V. Astin, Director, National Bureau of Standards, and associates; also a representative from the Department of Commerce.

IMPORTS

Committee on Ways and Means: Met in executive session and ordered reported favorably to the House H.R. 12180, relating to the free importation of personal and household effects brought into the United States by U.S. Government orders.

TRANSPORTATION

Committee on Interstate and Foreign Commerce: Held a hearing on H.R. 11583, to exempt certain carriers from minimum rate regulation in the transportation of bulk commodities, agricultural and fishery products, and passengers; and H.R. 11584, to provide for strengthening and improving the national transportation system. Heard testimony from Luther H. Hodges, Secretary of Commerce; and Clarence D. Martin, Jr., Under Secretary for Transportation, Department of Commerce. Hearings continue Thursday, June 28.

Joint Committee Meetings

TAXATION—RATE EXTENSION

Conferees, in executive session, agreed to file a conference report on the differences between the Senate- and House-passed versions of H.R. 11879, to extend existing normal-tax rate and certain excise-tax rates.

BILLS SIGNED BY THE PRESIDENT

New Laws

(*For last listing of public laws, see* DIGEST, *p. D491, June 19, 1962*)

H.R. 7416, authorizing the Bureau of the Census to make appropriate reimbursements between the respective appropriations available to the Bureau. Signed June 19, 1962 (P.L. 87-489).

H.R. 10162, to amend the Bretton Woods Agreement Act to authorize the U.S. to participate in loans to the International Monetary Fund. Signed June 19, 1962 (P.L. 87-490).

H.R. 6695, relating to the transportation of mail by highway post office service. Signed June 19, 1962 (P.L. 87-491).

H.R. 9736, authorizing the Secretary of Agriculture to permit the continued use by States of certain land for production of tree planting stock. Signed June 25, 1962 (P.L. 87-492).

H.R. 4939, to convey certain reversionary rights to Jasper County, Ga. Signed June 25, 1962 (P.L. 87-493).

H.R. 10374, to reduce the revolving fund available for subscription to capital stock of the banks for cooperatives. Signed June 25, 1962 (P.L. 87-494).

H.R. 4083, to reduce the frequency of reports required by the VA on the use of surplus dairy products. Signed June 25, 1962 (P.L. 87-495).

H.R. 7532, relating to funds received by the Post Office Department from payments for damage to personal property. Signed June 25, 1962 (P.L. 87-496).

H.R. 10986, to continue for a temporary period the existing suspension of duty on certain amorphous graphite. Signed June 25, 1962 (P.L. 87-497).

H.R. 7866, to extend the application of the Poultry Products Inspection Act to Puerto Rico and the Virgin Islands. Signed June 25, 1962 (P.L. 87-498).

H.R. 8434, authorizing the sale of 4.5 acres of land to the city of Mount Shasta, Calif. Signed June 25, 1962 (P.L. 87-499).

COMMITTEE MEETINGS FOR WEDNESDAY, JUNE 27

(*All meetings are open unless otherwise designated*)

Senate

Committee on Armed Services, Preparedness Investigating Subcommittee, executive hearings to review missiles, strategic weapons, and weapon delivery systems, to hear Navy witnesses, 10 a.m., 224 Old Senate Office Building.

CIA Subcommittee, executive, to hear CIA Director John A. McCone, 2:30 p.m., 212 Old Senate Office Building.

Committee on Commerce, on S. 3242, to strengthen and improve the national transportation system, and S. 3243, exempting certain carriers from minimum rate regulation in transportation of certain commodities, 10 a.m., 5110 New Senate Office Building.

Committee on Finance, executive, on H.R. 11990, public debt limit; H.R. 12061, Renegotiation Act extension; and H.R. 10095, metal scrap bill, 10 a.m., 2221 New Senate Office Building.

Committee on Government Operations, to begin hearings on financial activities of Billie Sol Estes, 10 a.m., 318 Old Senate Office Building.

Committee on the Judiciary, Internal Security Subcommittee, to hold hearings in connection with Yugoslav interference with the publication of a book by Yugoslav writer Milovan Djilas, 10:30 a.m., 1318 New Senate Office Building.

Committee on Public Works, Subcommittee on Public Buildings and Grounds, to hold hearings on a revised proposed construction prospectus of the Long Beach, Calif., customhouse, 9:30 a.m., 4200 New Senate Office Building.

Select Committee on Small Business, to continue its hearings on management problems of small business, 9:30 a.m., 457 Old Senate Office Building.

House

Committee on Agriculture, executive, on H.R. 12266, the general farm bill, 10 a.m., 1310 New House Office Building.

Committee on Appropriations, Subcommittee on Foreign Operations, executive, 10 a.m., 320 east front, U.S. Capitol Building.

Committee on Armed Services, Subcommittee on Defense Agencies, on Department of Defense agencies, 10 a.m., 313–A Old House Office Building.

Committee on the District of Columbia, Subcommittee No. 4, executive, on H.R. 9808, Alcoholic Beverage Control Act, 10 a.m., 45–A Old House Office Building.

Committee on Education and Labor, Special Subcommittee on Labor, on the administration of the Davis-Bacon Act, 10 a.m., 429 Old House Office Building.

General Subcommittee on Education, on H.R. 11823, and companion bills, to amend the Library Services Act, 10 a.m., 304 Old House Office Building.

Select Subcommittee on Labor, on S. 1124, re migratory labor, 10 a.m., G–53 U.S. Capitol Building.

Committee on Foreign Affairs, on the United Nations bond bill, 10:30 a.m., Ways and Means Committee room, New House Office Building.

Committee on Government Operations, Subcommittee on Military Operations, on systems management and development, 10 a.m., 1501–B New House Office Building.

Committee on Interior and Insular Affairs, on H.R. 5049, re Texas seashore; H.R. 7364, re mineral interests in South Carolina; H.R. 9280, re act of July 31, 1947; H.R. 11049, re Mineral Leasing Act; H.R. 10540, re petrified wood; H.R. 10773, re unpatented mining claims and H.R. 11164, re Quincy Columbia Basin Irrigation District, 9:45 a.m., 1324 New House Office Building.

Committee on Interstate and Foreign Commerce, executive, on pending legislation, 10 a.m., 1334 New House Office Building.

Committee on the Judiciary, Subcommittee on State Taxation of Interstate Commerce, 10 a.m., 362 Old House Office Building.

Subcommittee No. 3, executive, on pending legislation, 10:30 a.m., 346 Old House Office Building.

Subcommittee No. 2, on private claim bills, 10 a.m., 100–B George Washington Inn.

Committee on Post Office and Civil Service, subcommittee, executive, on H.R. 5698, re temporary summer employment, 10 a.m., 215 Old House Office Building.

Committee on Public Works, Special Subcommittee on the Federal-Aid Highway Program, executive, 10 a.m., 1302 New House Office Building.

Subcommittee on Watershed Development, executive, to consider and act on projects submitted for approval by the Agriculture Department, 10 a.m., 1435 New House Office Building.

Committee on Science and Astronautics, executive, on H.R. 11561, re the Organic Act of the National Bureau of Standards, 10 a.m., 214–B New House Office Building.

Joint Committee

Conferees, executive, on H.R. 8900, providing Federal financial assistance for higher education, 10 a.m., room EF–100, Capitol.

Congressional Record

The public proceedings of each House of Congress, as reported by the Official Reporters thereof, are printed pursuant to directions of the Joint Committee on Printing as authorized by appropriate provisions of Title 44, United States Code, and published for each day that one or both Houses are in session, excepting very infrequent instances when two or more unusually small consecutive issues are printed at one time. ¶ The Congressional Record will be furnished by mail to subscribers, free of postage, for $1.50 per month, payable in advance. Remit check or money order, made payable to the Superintendent of Documents, directly to the Government Printing Office, Washington 25, D. C. For subscription purposes, 20 daily issues constitute a month. The charge for individual copies varies in proportion to the size of the issue. ¶ Following each session of Congress, the daily Congressional Record is revised, printed, permanently bound and is sold by the Superintendent of Documents in individual parts or by sets. ¶ With the exception of copyrighted articles, there are no restrictions on the republication of material from the Congressional Record.

June 27, 1962

5. SOIL SURVEY. Both houses received from Interior a report that an adequate soil survey and land classification has been made of the lands in the Feather Water District, Sacramento River Division, Central Valley project, Calif. pp. 10954, 11136-7

6. WATER RESOURCES. Both houses received from Interior a report on the proposed water resource development on the Savery-Pot Hook project, Colorado-Wyoming (H. Doc. 461). pp. 10954, 11136

7. PUBLIC DEBT. The Finance Committee reported without amendment H. R. 11990, to provide for a temporary increase in the public debt limit to $308 billion (S. Rept. 1634) (p. 10954). This bill was made the unfinished business of the Senate (p. 11064).

Sen. Miller submitted an amendment intended to be proposed to this bill to provide that the public debt limit shall not exceed $300 billion for fiscal 1963 if any appropriated funds in excess of those appropriated for the previous fiscal year, other than those for the Defense Department, are spent. p. 11064

8. PARKS. The Interior and Insular Affairs Committee reported with amendments S. 2429, to revise the boundaries of the Virgin Islands National park (S. Rept. 1635). p. 10954

9. STOCKPILING. Sen. Byrd, Va., chairman of the Joint Committee on Reduction of Nonessential Federal Expenditures, submitted a report, "Federal Stockpile Inventories, March 1962." pp. 10954-62

10. FOREIGN TRADE. Sen. Fulbright inserted a commendatory address by the chairman of the Committee for a National Trade Policy, "U. S. Trade Policy After the Trade Bill." pp. 10976-8

Sen. Humphrey inserted an article, "U. S. Trade Mission Program a Major Tool of Trade Promotion and Good Will." pp. 10984-5

11. LEGISLATIVE PROGRAM. Sen. Mansfield announced that on Thurs. and Fri. the public debt increase and Renegotiation Act extension bills will be considered, that the Senate would go over from Fri. to Mon., and would take a holiday on July 4. pp. 11041-2

HOUSE

12. FOREIGN TRADE. Began debate on H. R. 11970, the proposed Trade Expansion Act of 1962. pp. 11073-82, 11083-125, 11130-1, 11132-3

13. TAXATION. Both Houses agreed to the conference report on H. R. 11879, to provide a 1-year extension of the existing corporate normal-tax rate and of certain excise-tax rates. This bill will now be sent to the President. pp. 11082

14. WATERSHEDS. The Agriculture Committee approved plans for works of improvement on the following watersheds: Escondido Creek, Calif.; Gering Valley, Nebr.; and Napa River, Calif. p. 11073

15. FOREIGN AFFAIRS. The Foreign Affairs Committee issued a report pertaining to U. S. membership in the United Nations (H. Rept. 1942). p. 11137

16. PERSONNEL. The "Daily Digest" states that a Subcommitteeof the Post Office and Civil Service Committee "met in executive session and ordered reported without recommendation to the full committee H. R. 5698, to extend the apportionment requirement in the Civil Service Act to temporary summer employment." p. D528

ITEMS IN APPENDIX

17. CONSERVATION. Extension of remarks of Sen. Hartke inserting an address by Secretary Udall, "National Conservation Report." pp. A4872-4

Extension of remarks of Rep. Stubblefield inserting an essay, "Between the Lakes National Recreation Area." p. A4794

Extension of remarks of Rep. Sikes inserting the President's telegram to the National Rivers and Harbors Congress during its annual meeting last month. p. A4911

18. FARM PROGRAM. Extension of remarks of Rep. Breeding inserting an article, "Farm Leaders are Gloomy about Defeat," containing some of the comments of Kansas farm leaders. pp. A4875-6

Extension of remarks of Rep. Nygaard inserting an article, "Power Corrupts," stating that "demands in the U. S. Senate that Secretary of Agriculture Freeman should step down...point up the danger of the concentration of power in the Department of Agriculture which spends billions of dollars of taxpayers' money annually." pp. A4882-4

19. WILDLIFE. Extension of remarks of Rep. Edmondson inserting the report of the Committee on Wildlife and Recreation of the National Rivers and Harbors Congress. pp. A 4888-9

20. SMALL BUSINESS. Extension of remarks of Sen. Sparkman inserting an interview with John E. Horne, Small Business Administrator as an "interesting and informative article on the work of SBA." pp. A4898-900

21. FARM LABOR. Extension of remarks of Rep. Gilbert inserting his statement in support of S. 1124, which would improve educational opportunities for migrant agricultural employees and their children. pp. A4911-2

BILLS INTRODUCED

22. FEDERAL LAWS. S. 3475, by Sen. Talmadge, to provide further for cooperation with States in administration and enforcement of certain Federal laws; to Agriculture and Forestry Committee. Remarks of author pp. 10962-3

23. EXTENSION WORK. S. 3477, by Sen. Morse, to promote the security and welfare of the people of the United States by providing for a program to assist the several States in further developing their programs of general university extension education; to Labor and Public Welfare Committee. Remarks of Sen. Morse, pp. 10963-69

24. RECLAMATION. S 3479, by Sen. Hickey, for the relief of certain entrymen, owners and assignees of farm units on the Third Division Irrigation District, Riverton Reclamation Project, Wyoming; to Interior and Insular Affairs Committee, Remarks of Sen. Hickey, p. 10969

25. SURPLUS PROPERTY. S. 3480, by Sen. Scott, to amend the Federal Property and Administrative Services Act of 1949 to permit donations of surplus property to volunteer fire-fighting organizations; to Government Operations Committee.

26. FARM PROGRAM. H. R. 12322, by Rep. Glenn, to amend the Agricultural Adjustment Act of 1933, as amended, and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended; to Agriculture Committee.

Forces Reserve Act of 1952 (50 U.S.C. 1016(b)(6)), before the date of enactment of this Act, to receive a readjustment payment under that section, any person who made such an election may be awarded disability compensation to which he is otherwise entitled, subject to deduction as provided in that section, as amended by this Act. However, such an award may not become effective for any period before the date of enactment of this Act.

"SEC. 4. (a) Sections 1167(d), 3303(d) and 8303(d) of title 10, United States Code, are each amended by inserting the following new sentence at the end thereof: 'However, no person is entitled to severance pay under this section in an amount that is more than $15,000.'

"(b) Sections 6382(c), 6283(f), 6384(b), and 6401(b) of title 10, United States Code, section 437(f) of title 14, United States Code, and sections 112(g) and 212(g) of the Officers Personnel Act of 1947 (61 Stat. 808, 825) are each amended by inserting the following new sentence at the end thereof: 'However, no person is entitled to a lump-sum payment under this section that is more than $15,000.'"

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

MEMORIALS TO LATE SENATOR FRANCIS CASE OF SOUTH DAKOTA

(Mr. REIFEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. REIFEL. Mr. Speaker, I have today introduced a resolution to name the first of the Missouri River lakes in South Dakota created by national legislation in honor of the late Senator Francis Case, of South Dakota, whose work was responsible for the original authorization.

In addition, I am suggesting to the South Dakota State highway officials that the huge bridge soon to be constructed across this lake be named "The Francis Case Memorial Bridge" in honor of the man who almost singlehandedly obtained the necessary congressional authority for this structure, soon to be dedicated.

There are countless projects all across South Dakota for which Francis Case was primarily responsible, but he was particularly identified with these two.

It is fitting that the first of the Missouri River lakes which have come into being largely through his vision and legislative workmanship should bear his name. And it is equally appropriate that the huge bridge providing a new link between eastern and western South Dakota should be named in his honor that all who cross it shall be reminded of the high regard in which we held him and many ways in which he helped build a better America.

Mr. BERRY. Mr. Speaker, will the gentleman yield?

Mr. REIFEL. I yield to the gentleman.

Mr. BERRY. Mr. Speaker, I am joining my colleague, the gentleman from South Dakota, Representative BEN REIFEL, in the introduction of this resolution to name the reservoir back of the Fort Randall dam "Lake Francis Case."

Since the Missouri River development program stands as a monument to the great work of Senator Francis Case, it is fitting and proper that one of the mammoth reservoirs on the mighty Missouri be named in his honor.

I have joined in introducing this bill in memory of Senator Francis Case who did so much for irrigation, reclamation, and water development in South Dakota.

Water for the South Dakota was always the first interest of this great man. Water in South Dakota should bear his name.

WATERSHED PROTECTION AND FLOOD PREVENTION WORK PLANS

The SPEAKER laid before the House the following communication, which was read by the Clerk and, together with the accompanying papers, was referred to the Committee on Appropriations:

JUNE 26, 1962.

HON. JOHN MCCORMACK,
The Speaker, U.S. House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the provisions of section 2 of the Watershed Protection and Flood Prevention Act, as amended, the Committee on Agriculture has considered the work plans transmitted to you by Executive Communications 1331 and 930 and referred to this committee and unanimously approved each of such plans on June 25, 1962. The work plans involved are:

Nebraska, Gering Valley watershed, Executive Communication 1331.

California, Escondido Creek watershed, Executive Communication 1331.

California, Napa River watershed, Executive Communication 930.

Sincerely yours,

HAROLD D. COOLEY, *Chairman.*

(Attachments.)

RESOLUTION APPROVING THE WORK PLAN FOR ESCONDIDO CREEK, CALIF.

Be it resolved by the Committee on Agriculture of the House of Representatives, That the plan for works of improvement for the Escondido Creek., Calif., watershed, submitted to the Speaker of the House of Representatives by Executive Communication 1331 and referred to the Committee on Agriculture pursuant to section 2 of the Watershed Protection and Flood Prevention Act, as amended (16 U.S.C. 1002), is hereby approved.

JUNE 25, 1962.

Attest:

CHRISTINE S. GALLAGHER, *Clerk.*

RESOLUTION APPROVING THE WORK PLAN FOR GERING VALLEY, NEBR.

Be it resolved by the Committee on Agriculture of the House of Representatives, That the plan for works of improvement for the Gering Valley, Nebr., watershed, submitted to the Speaker of the House of Representatives by Executive Communication 1331 and referred to the Committee on Agriculture pursuant to section 2 of the Watershed Protection and Flood Prevention Act, as amended (16 U.S.C. 1002), is hereby approved.

JUNE 25, 1962.

Attest:

CHRISTINE S. GALLAGHER, *Clerk.*

RESOLUTION APPROVING THE WORK PLAN FOR NAPA RIVER, CALIF.

Be it resolved by the Committee on Agriculture of the House of Representatives, That the plan for works of improvement for the Napa River, Calif., watershed, submitted to the Speaker of the House of Representatives by Executive Communication 930 and referred to the Committee on Agriculture pursuant to section 2 of the Watershed Protection and Flood Prevention Act, as amended (16 U.S.C. 1002), is hereby approved.

JUNE 25, 1962.

Attest:

CHRISTINE S. GALLAGHER, *Clerk.*

SUPREME COURT DECISION ON PUBLIC SCHOOL PRAYER

(Mr. GOODLING asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. GOODLING. Mr. Speaker, I should like to speak against the decision handed down by the Supreme Court in the New York Regents Prayer case. Such a decision denies the very faith our forefathers had when they wrote the Declaration of Independence. For years people have come to our country to escape religious persecution and we have always protected our people against the tyranny of a single religious domination. But here, there is a distinction between religious domination and religious faith. This prayer does not demand one to change his beliefs or force him into any type of conversion. It is a simple prayer, merely asking for God's blessing. The prayer cannot possibly represent one church or one religion. Of course, there must always be a separation of church and state; but the Constitution never meant to have a separation of church and faith.

The people who believe in God are in the great majority. The atheists and agnostics compose the minority. There is no act forcing them to recite the prayer and listening can do them no harm. Thus participation or abstention can do no wrong or have any ill effect.

Recently a minister pointed out:

The built-in decisions of the Supreme Court are laying waste to State sovereignty and provoking heartbreakers to men learned in the laws. Individual liberty, the shrine where we like to worship, is being desecrated by decisions that make a mockery of our concept of justice.,

In closing, I should like to say that I shall be willing to support any action amending this Supreme Court decision.

TRADE EXPANSION ACT OF 1962

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up the resolution, House Resolution 712, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and

through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill, and shall continue not to exceed eight hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be considered as having been read for amendment. No amendment shall be in order to said bill except amendments offered by direction of the Committee on Ways and Means, but said amendments shall not be subject to amendment. At the conclusion of such consideration, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit, with or without instructions.

CALL OF THE HOUSE

Mr. BYRNES of Wisconsin. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently, a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 130]

Addonizio	Dawson	Riley
Alford	Dwyer	Rivers, Alaska
Barrett	Flood	St. Germain
Bass, N.H.	Hall	Saund
Blitch	Harrison, Va.	Scherer
Brewster	Hoffman, Mich.	Shelley
Celler	Horan	Shipley
Chelf	Jones, Mo.	Spence
Coad	Kowalski	Stratton
Cooley	Libonati	Stubblefield
Curtis Mass.	McSween	Taber
Davis, James C.	McVey	Thompson, La.
Davis, Tenn.	Moulder	Yates
	Powell	

The SPEAKER. On this rollcall, 393 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

TRADE EXPANSION ACT OF 1962

The SPEAKER. The Chair recognizes the gentleman from Missouri [Mr. BOLLING].

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio [Mr. BROWN]; pending that I yield myself such time as I may consume.

Mr. Speaker, House Resolution 712 makes in order the consideration of the bill H.R. 11970, the Trade Expansion Act. As I believe most Members know, the rule is a closed rule providing for 8 hours of general debate, committee amendments, and one motion to recommit with or without instructions.

Mr. Speaker, at this time I yield 5 minutes to the gentleman from Florida [Mr. SIKES].

(Mr. SIKES asked and was given permission to revise and extend his remarks.)

Mr. SIKES. Mr. Speaker, I am not expert on matters of tariff and reciprocal trade. I appear as a layman who is uneasy about what the experts are doing to us. I can see what is happening to American industry as a result of imports of low-cost goods from abroad. I want to see America trade with other nations but not at the price of closing American factories and throwing American workmen out of jobs. This is happening now. I feel strongly it will happen at an accelerated rate under H.R. 11970.

Whether or not this bill would aggravate the problem, I deplore the welfare program for industry and for industrial workers which this bill provides in lieu of the previously accepted peril-point and escape clauses.

I believe that the present bill is almost a complete surrender of congressional authority and responsibility to the Chief Executive. I believe this bill should be modified materially before it becomes law.

Therefore, in the absence of amendments from the committee, I suggest that the recommittal motion be supported with the proviso that the present Reciprocal Trade Act be continued for 1 additional year.

I have noticed references several times in the press to the allegation that the President has used up all the powers available under the existing Reciprocal Trade Act, and that, per force, new authority is essential. These statements, Mr. Speaker, just do not square with the facts. Here is the actual situation which would prevail under a 1-year extension of the present law.

First. Effective July 1, 1962, most U.S. duties will be reduced 20 percent, in two yearly stages, 10 percent during each stage. Thus, during the period of a 1-year extension, U.S. duties would be lowered by 10 percent. If Congress acts next year to give the President new trade agreement authority, he would be in a position to enter into negotiations under that authority during the second year of the scheduled reduction in duties.

Second. Since even the present bill, H.R. 11970, by its terms would prevent any new reduction in duties from coming into effect until the presently scheduled 20-percent reduction has become fully effective, the enactment of a simple 1-year extension of the present law would not bring about any change in the schedule of tariff reductions contemplated by the bill.

Third. With the exception of the authority to enter into new trade agreements and to proclaim new reductions in duty, the trade agreements legislation is permanent legislation not depending upon any renewal for its continuing force and effect. Thus, under the existing law the President would retain the authority to enforce the provisions of existing trade agreements; to administer the escape clause and national security provisions of the law; and to modify, terminate, or suspend, in whole or in part, trade agreement proclamations in order to carry out some proper purpose pertaining to the foreign trade of the United States.

Fourth. A 1-year extension of the existing law would extend for that period the authority of the President under the Tariff Act of 1930, as amended, to issue proclamations carrying out foreign trade agreements entered into after July 1, 1958, decreasing any rate of duty by 20 percent of the rate existing on that date. Most U.S. duties were reduced by this amount in the recently concluded "Dillon round" of trade agreement negotiations, but many categories of trade articles were not included. Possibly 40 percent of the items initially proposed for negotiation were reserved therefrom as the result of the peril point findings of the Tariff Commission. Even those included can be reconsidered at any time.

Many items in the tariff schedules were not included on the list proposed for negotiation. These groups of articles, therefore, would be subject to consideration for negotiation in a new trade agreement. Subject to the peril point procedure, the duties on these articles could be reduced by 20 percent. In combination they represent an extensive list of manufactured, agricultural, and mineral products. This list includes the following:

First. Organic chemicals of the type commonly referred to as petrochemicals.

Second. Earthenware, crockery, and chinaware.

Third. Scientific glassware.

Fourth. A great variety of glass and glass manufactures.

Fifth. Structural steel.

Sixth. Hand tools.

Seventh. Screws, rivers, washers, nuts, et cetera.

Eighth. Furniture.

Ninth. Candy and confectionery.

Tenth. Some fish and fish products.

Eleventh. Cotton, wool, and manmade fiber textiles—with a few exceptions.

Twelfth. Musical instrument, violins and violas, et cetera.

Thirteenth. Photographic cameras and parts—with a few exceptions.

There is no necessity for the enactment of a new bill now.

Thus Mr. Speaker, I question the necessity for new legislation. I am convinced we will be in a more healthy position if we extend the present reciprocal trade act for another year. At that time we can determine with much more certainty whether a new act is needed and what form a new act should take.

The SPEAKER pro tempore [Mr. ALBERT]. The time of the gentleman from Florida has expired.

Mr. BROWN. Mr. Speaker, I yield myself 12 minutes.

(Mr. BROWN asked and was given permission to revise and extend his remarks.)

Mr. BROWN. Mr. Speaker and Members of the House, the gentleman from Missouri [Mr. BOLLING] has explained this rule. It is a closed rule, a gag rule providing for 8 hours of general debate, prohibiting the offering of or the consideration of any amendments except those approved by the House Committee on Ways and Means, and providing for one motion to recommit with or without instructions.

This measure, Mr. Speaker, in my opinion is one of the most important pieces of legislation ever to come before the Congress, at least in my time. It is

a nonpartisan problem which confronts us here today. A great many things have happened since the President first sent his message to Capitol Hill in which he asked for the enactment of legislation of this type. A great many things have also happened since the very able Committee on Ways and Means took jurisdiction over this legislation, began long hearings on the President's proposal, and finally brought out, first, H.R. 9900 and then, this bill, H.R. 11970, a so-called clean bill.

I think all of us as good Americans and as persons who are interested in the welfare, not just of our districts alone, but of our entire Nation, and as far as that is concerned of our way of life and the free enterprise system and our form of representative government, should take a good look at that which confronts us today. Let us see what has happened. Let us look at some of these things that have occurred.

I do not know just how to put them in correct chronological order, but, for instance, in the last 30 days we have seen a great drop in stock prices, or in the value of the stocks in American corporations. The loss in value alone of those stocks belonging to the American people, to the citizens of this country, with an average income, I am informed, of less than $8,000 a year, that is the average stockholder's income, has been better than $150 billion in the last 30 days, or even a little more.

Where are we headed? I do not know and I do not believe that any of you know for a certainty as to just where we are heading. We have seen in the last 30 days the income of our Federal Treasury decline and drop off from that which had been estimated earlier. We have seen an increase in our Government deficits, and in our Treasury deficits. According to the most recent announcement, the budget deficit for fiscal 1962 will be around $8 billion, or perhaps a little more, at midnight, Saturday night, when Treasury figures become public, and to where we have an estimated deficit already for the fiscal year 1963, which starts on July 1, Sunday morning, of better than $5 billion according to our own fiscal authorities and experts and it may finally be much above that.

We do not know, of course, what may happen in the future, but we do know that corporate earnings and profits are off, that there are darkening economic skies. All you have to do is to look and you will see them. The reports and the portents are not good.

Here we are considering this bill, not knowing what the action of Canada last weekend may mean to us. The Canadian Government has devalued their own dollar to 92½ cents. The Canadian Government has increased their import duties and tariffs on foreign products coming in from other countries, many of them—not all—from the United States, by as much as 15 percent. They have increased the rediscount rate, or the interest rate, on money and on loans to 6 percent. Believe it or not, Canada has gone out and borrowed a billion dollars on short-term paper to help maintain and sustain their currency and their balances which only amount now to $1,100 million. We do not know what the result of all that will be, but it will certainly be damaging to the United States of America, our business community, and our export trade.

We do not know now, as was mentioned a while ago by the distinguished gentleman from Florida [Mr. SIKES], how American business may change after the GATT arrangement made at Geneva that will permit a reduction in tariffs of about 20 percent on a great many American import and export items. We do not know what the effect of all this will be on American industry and labor.

We do not know how long the European Common Market may survive or last, because its members are having their own internal difficulties at the present time. We do not know whether Great Britain will join that Common Market or not, or whether if she joins the Market she will take her Commonwealth countries—Australia, Canada, and New Zealand—in with her.

We do not know whether the Scandinavian countries, Denmark, Norway, and Sweden, will join the Common Market, or not. We do not know whether Greece and Turkey may later enter the Common Market.

We have been assured in the Rules Committee by the illustrious and able chairman of the Ways and Means Committee, that there is no intention on the part of the United States to join the Common Market. But we do not know any of these things for a certainty.

In the last few days we have seen the American steel industry working at only 50 percent of capacity, with steelworkers being laid off throughout the United States and receiving unemployment compensation. We have seen our own American Government importing, if you please, foreign-produced steel, probably because they can buy it cheaper abroad than we can manufacture it here at home. We do not know what effect that will have, nor do we know what effect the import of other goods and products to be used by our Federal Government, all manufactured abroad by foreign labor which pays no withholding taxes into the American Treasury—we do not know what effect all that will have.

We see here before us a proposal on the one hand for lowering tariffs and import duties so as to reduce the income of the Federal Treasury, and then on the other hand we see provisions in this bill to take more money out of the Federal Treasury to pay subsidies to American business and American labor injured under other provisions of this act.

Throughout my career in Congress I have never voted for the extension of the Reciprocal Trade Agreements Act—and I would like you to bear in mind what I say—under which we have already reduced import duties and tariffs on foreign products flowing into the United States by an average of 75 percent. No, I have never voted for that. Now the proposal is that we put something in its place, and for the first time I am going to support a motion to recommit which, I understand, will be made by the senior minority member of the Ways and Means Committee, the gentleman from Illinois [Mr. MASON], to do that which the gentleman from Florida [Mr. SIKES] has spoken about; that is, simply to extend for one year the present law, the present Reciprocal Trade Agreements Act, so we can find out what these situations that I have mentioned, these dangerous and threatening situations, may really mean, and what the outcome may be, so that we will have the opportunity of knowing what sort of legislation may be necessary, as events develop within the next year, and are sure to develop under the situation which exists at this time.

I am going to support that motion to recommit, because it is the lesser of two evils, in my opinion, and it will give an opportunity for the American people, as well as the Congress of the United States, to know something about what will happen in the next few months. We will then be placed in a better position to judge just what sort of foreign trade legislation may be desired.

I had some of my friends come to me the other day and say, "This bill that is before us is just an expansion of the present Reciprocal Trade Agreements Act. The great majority of the Members of the House have voted to extend the Reciprocal Trade Agreements Act. It is a wonderful act and this is only an expansion."

But it is a big expansion, if you please, of the present Trade Agreements Act. Let me ask one question: If the present law, if the present Reciprocal Trade Agreements Act, is as good and as wonderful as some of those who talk about the votes it received in the past, if it has been so good, then why not continue it for another year? What damage can be done by keeping it for another year, if it is the type of measure some of you say it is? Why not just keep that act?

Let us first find out what the future holds for us and not dash blindly into a new and unknown situation, and not confer upon a President such broad and unusual powers. I do not care which President may be in office, because I have opposed some of those things under a Republican administration just as I am against this proposal now to give the President of the United States unlimited powers in the field of trade tariffs, and import duties such as have never been exercised by any President in the past, have never been granted to any President. Once the die is cast—remember this—once this legislation is enacted and becomes law, it will be on the statute books permanently, and we will be bound, not only those of this generation, but of future generations to come, under a situation, if you please, where we will not be dictating the terms, but governments of other countries will be.

Other nations will be in a position to determine what our future shall be as far as foreign trade is concerned, as far as economics are concerned.

Why do a thing like this when the trade balance or balance of exchange, is so terribly against us as it is today, when

we have less than $5 billion of free gold in our Treasury with which to pay more than $22 billion of demands for gold which can be made against us by foreign concerns, foreign banks, or foreign governments?

Why not play it safe? Why not take the sure way, and remain safe, if you please? Vote for the Mason motion to recommit to simply extend for 1 year the provisions of the present act so that we may have the opportunity to know more about what the world situation will be, what our own economic situation may be, a year from now, during which time these things will have an opportunity to work themselves out to a certain extent, and we may then follow a wise and proper course for the benefit of all America.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. BROWN. I yield to the gentleman from Iowa.

Mr. GROSS. I want to compliment the gentleman on the excellent statement he has made, and ask this question: When the packing of the Rules Committee was carried out, were we not assured that as a result of that action legislation would come to the floor of the House under procedures that would assure the House could work its will?

Mr. BROWN. Well, I will say to the gentleman that this is another closed or gag rule. I wanted an open rule so the House could work its will on this legislation, but I failed to get it from the Committee on Rules.

Mr. ALGER. Mr. Speaker, will the gentleman yield?

Mr. BROWN. I yield to the gentleman from Texas.

Mr. ALGER. I would like to compliment the gentleman for his statement as well as the gentleman who preceded him, and call to the attention of the House that the committee report and the presentations that will be made by the members of the Committee on Ways and Means on the whole will give a very well rounded discussion, not only on what the gentleman has said but on many other problems that confront us, so much so that the course of commonsense, not politics but commonsense, as I see it, looks toward an extension of present law as the only course for us to pursue at this time, since we must consider many present economic factors before cutting tariffs even more.

Mr. BROWN. I thank the gentleman.

Mr. Speaker, I yield 2 minutes to the gentleman from Missouri [Mr. CURTIS].

Mr. CURTIS of Missouri. Mr. Speaker, I asked for this time just to express my regret that this is a closed rule. The rule requested was a modified rule which would have permitted the House to work its will on three amendments that had been fully considered by the Committee on Ways and Means on which there had been considerable difference of opinion. I happen not to have favored one of those amendments. The argument and debate over the enlargement of the Committee on Rules last year was to allow the House to work its will. I said at the time, although I voted for it, that I was afraid those who were supporting it did not intend to open up these rules so that the House could consider these matters. And, I simply want to try to drive home exactly what has happened, that the Committee on Rules, particularly those who claim to be wearing the label of liberal, are the ones who impose these closed rules and gag rules on the House. And, I hope that before too much longer the public will be fully aware of just what did happen last year under this so-called liberalization of the Committee on Rules.

Mr. BROWN. Mr. Speaker, I yield 5 minutes to the ranking minority member of the Committee on Ways and Means, the gentleman from Illinois [Mr. MASON].

(Mr. MASON asked and was given permission to revise and extend his remarks.)

Mr. MASON. Mr. Speaker, I have asked for this time under the rule to recapitulate the actions of this House on the reciprocal trade agreements program ever since it was first adopted. In 1934 we adopted the reciprocal trade agreements program for 3 years to give it a trial. I understand that vote was practically unanimous. Early in 1937 a continuation of the reciprocal trade agreements program was brought up in this House. I had only been here about 5 weeks at that time and I voted "No" on the continuation of the Reciprocal Trade Agreements Act of 1937. And, there were only 13 no votes in this House. My leader, Congressman Snell, at that time, from New York, called me over to the side and he said, "Noah, if you expect to stay in this House any length of time, you had better go along with the majority of us."

Mr. Speaker, I said "Well, now, Mr. Snell, as long as I am a Member of this House, whether it is one term or more, I shall vote my convictions regardless of whether I am the only one or not."

Mr. Speaker, I have done so. Those 13 no votes in 1937 became 40 or more the next time. The next time those 40 or more votes became 150 or more. It gradually reached the point of 200 votes. The last time it was brought up in this House we had 226 votes against continuation of the Reciprocal Trade Agreements Act. The administration—my administration—postponed action on that vote for nearly 6 weeks until they succeeded in getting some oil men from Texas, with promises, and some lead and zinc Members of the House from the Northwest, with promises, until they had the necessary votes, and then they brought it up and passed it.

Mr. Speaker, I wanted the Members of the House to have that history. That is the history of the reciprocal trade agreements so far as the legislative action is concerned.

Mr. Speaker, now we are faced with it again. Oh, not with the reciprocal trade agreements; oh, no. The President has asked, and in this bill he proposes to take over the whole trade agreements program, practically speaking, which the Constitution says rests on the shoulders of the Members of Congress. That is the situation we are facing. In view of that situation I am going to do something that I have never done before. I have always voted "no" on the continuation of the reciprocal trade agreements. I am going to offer a motion to recommit, with instructions to bring it right back with a simple 1-year extension. I have to stretch my conviction pretty far to even do that. But I am going to do it, and I hope that motion to recommit with a 1-year extension of the present law—because they have already used up practically all their power to lower tariffs under our present law—will be adopted by this House.

(Mr. BOW (at the request of Mr. BROWN) was given permission to extend his remarks at this point in the RECORD.)

Mr. BOW. Mr. Speaker, the President's recent foreign trade address in New Orleans indicates that his Ivy League advisers are trying to rewrite American history.

I have commented on this address in the RECORD for May 14, page 7640, as it related to recent statistics, also misinterpreted in my opinion.

The historical references are even more interesting.

The President clearly implied that our forefathers favored free trade and presumably would have favored H.R. 11970, the Trade Expansion Act of 1962, as written. He said:

> The Founding Fathers—Washington, Franklin, Adams, Jefferson—were men of trade as well as men of state. For trade represents widening horizons, freedom of choice and individual venture—and so does democracy. The spirit of trade goes hand in hand with the spirit of liberty.

This remark, so clearly contrary to my own recollection of our early history, led me to look for the comments of Washington, Franklin, Adams, Jefferson and a few of the other stalwarts of the early Republic—Madison, Monroe, Jackson, and Calhoun.

Nothing I found supports the President's New Orleans statement.

Indeed, the references I have gathered and will read to the House indicate that these great leaders of the early days of our Nation would be found standing with me in opposition to the grant of tremendous power to the President for the purpose of making this a free trade nation.

To treat of Franklin first, he died on April 17, 1790, and hence had little influence, if any, on the tariff policies of our 1-year-old Republic. In fact he was ill for most of this short period.

The only reference to protectionism in Van Doren's "Benjamin Franklin" is expressed by the author as follows:

> But the Townshend acts, expressly intended to raise money for the support of the Crown officials in America and so make them independent of the assemblies, appeared to the Americans not only to tax them without their consent but also to put them under arbitrary rule from England, and renewed the "grievances, which from their respect and love for this country, they had long borne, and seemed almost willing to forget. They reflected how lightly the interest of all America had been esteemed here, when the interests of a few inhabitants of Great Britain happened to have the smallest competition with it." Americans could not import wine, oil, and fruit direct from Portugal, but must ship it by way of England in order that a few British merchants trading with

Portugal might have their commissions. On the complaint of a few British merchants trading with Virginia nine colonies had been restrained from issuing paper money. A few British manufacturers of hats, nails, and steel had been able to prevent the manufacture of those articles in America. "Reflecting on these things, the Americans said to one another (their newspapers are full of discourses) these people are not content with making a monopoly of us * * * but now they have as good as declared they have a right to tax us, ad libitum, internally and externally; and that our constitutions and liberties shall all be taken away if we do not submit to that claim." "It is time then," Franklin said the Americans were saying, "to take care of ourselves, by the best means in our power. Let us unite in solemn resolutions and engagements with and to each other, that we will give these new officers as little trouble as possible by not consuming the British manufactures, on which they are to levy the duties. Let us agree to consume no more of their expensive gewgaws; let us live frugally; and let us industriously manufacture what we can for ourselves."

Actually, Van Doren says that Franklin's concern was more with taxation without representation than with imports per se.

Let us not labor the Franklin reference.

Nor let us belabor the more obvious inaccuracies implied in the President's remarks. Well known are these facts: The Tariff Act of 1789 was Public Law No. 1 of the First Congress; Hamilton's protective "Report on Manufactures," and the high tariff attitudes of the so-called "War Hawks," Clay, Calhoun, and their confreres. We leave these to the experts in the history departments of Harvard and Princeton.

All I wish to do here is to give a series of quotations from Presidential messages and other official documents from the Washington through the Jackson administrations. It does not document the President's thesis. The quotations. prove the precise contrary. They follow:

Public Law No. 1, The Tariff Act of 1789, began as follows:

Whereas, it is necessary for the support of the Government, the discharges of the debts of the United States, and the encouragement and protection of manufactures, that duties be laid on goods, wares and merchandises imported.

James Madison said:

I have no objection to the committee's accepting the proposition offered by the gentleman from Pennsylvania. I think some of the propositions may be productive of revenue, and some may protect our domestic manufactures.

George Washington said:

Ought our country to remain in such cases dependent on foreign supply, precarious, because liable to be interrupted? If the necessary article should, in this mode, cost more in time of peace, will not the security and independence thence arising form an ample consideration?

John Adams said:

Under this view of our affairs, I should hold myself guilty of a neglect of duty if I forbore to recommend that we should make every exertion to protect our commerce, and to place our country in a suitable posture of defense, as the only sure means of preserving both.

Thomas Jefferson said:

I have read with great satisfaction the eloquent pamphlet you were so kind as to send me, and sympathize with every line of it. I was once a doubter whether the labor of the cultivator, aided by the creative power of the earth itself, could not produce more than that of the manufacturer, alone and unassisted by the dead subject on which he acted; in other words, whether the more we could bring into action of our boundless territory in addition to the labor of our citizens, the more would be our gain. But the inventions of the later times, by laborsaving machines, do now as much for the manufacturer as the earth for the cultivator. Experience, too, has proved that mine was but half the question: the other half is, whether dollars and cents are to be weighed in the scale against real independence. The question is then solved, at least as far as respects our wants.

I much fear the effects of our infant establishments (manufactures) of the policy avowed by Mr. Brougham and quoted in the pamphlet. Individual British merchants may lose by the late immense importations, but British commerce and manufactures in the mass will gain by beating down the competition of ours in our own markets.

Again, Jefferson said:

The history of the last 20 years has been a sufficient lesson for us all to depend for necessaries on ourselves alone, and I hope that 20 years more will place the American hemisphere under a system of its own essentially peaceable and industrious, and not needing to extract its comforts out of the eternal fires raging in the Old World.

A further quote from Jefferson:

The situation into which we have thus been forced has impelled us to apply a portion of our industry and capital to internal manufactures and improvements. The extent of this conversion is daily increasing, and little doubt remains that the establishments formed and forming, will, under the auspices of cheaper materials and subsistence, the freedom of labor from taxation with us, and of protecting duties and prohibitions, become apparent.

Here is another quote from President Madison:

The face of our country presents everywhere the evidence of laudable enterprise, of extensive capital, and of durable improvement. In a cultivation of the materials and the extension of useful manufactures, more especially in the general application to household fabrics, we behold a rapid diminution of our dependence on foreign supplies. Nor is it unworthy of reflection that this revolution in our pursuits and habits is in no slight degree a consequence of those impolitic and arbitrary edicts by which the contending nations, in endeavoring each of them to obstruct our trade with the other, have so far abridged our means of procuring the productions and manufactures of which our own are now taking the place.

Again, Madison affirms his attitude toward domestic industry:

But there is no subject that can enter with greater force and merit into the deliberations of Congress, than the consideration of the means to preserve and promote the manufactures which have sprung into existence, and attained an unparalleled maturity throughout the United States during the period of the European wars. This source of national independence and wealth I anxiously recommend, therefore, to the prompt and constant guardianship of Congress.

Madison refers to the historic policy of the young Republic:

A further evidence of the constitutional power of Congress to protect and foster manufactures by regulations of trade, is the uniform and practical sanction given to that power for near 40 years.

Secretary of the Treasury Dallas had this to say in 1816:

There are few, if any, governments which do not regard the establishment of domestic manufacturers as a chief object of public policy. The United States have always so regarded it. In the earliest acts of Congress, which were passed after the adoption of the present Constitution, the obligation of providing, by duties on imports, for the discharge of the public debts, is expressly connected with the policy of encouraging and protecting manufactures.

John C. Calhoun was eloquent on the subject of trade protection:

Neither agriculture, manufactures, nor commerce, taken separately, is the cause of wealth; it flows from the three combined, and cannot exist without each. The wealth of any single nation, or any individual, it is true, may not immediately depend on the three, but such wealth always presupposes their existence. He viewed the words in the most enlarged sense. Without commerce, industry would have no stimulus; without manufactures it would be without the means of production; and without agriculture neither of the others can subsist. When separated entirely and permanently, they perish.

It is admitted, by the most strenuous advocates on the other side, that no country ought to be dependent on another for its means of defense; that, at least, our musket and bayonet, our cannon and ball, ought to be of domestic manufacture. But what, he asked, is more necessary to the defense of a country than its currency and finance? Circumstanced as our country is, can these stand the shock of war? Behold the effect of the late war on them. When our manufactures are grown to a certain perfection as they soon will under the fostering care of Government, we will no longer experience these evils. The farmer will find a ready market for his surplus produce; and, which is almost of equal consequence, a certain and cheap supply of all his wants. His prosperity will diffuse itself to every class of the community; and instead of that languor of industry, and individual distress, now incident to a state of war and suspended commerce, the wealth and vigor of the community will not be materially impaired.

President Monroe had this to say in his inaugural address, 1817:

Our manufactures will require the systematic and fostering aid of the Government.

Monroe amplified his views as follows:

Having communicated my views to Congress, at the commencement of the last session, respecting the encouragement which ought to be given to our manufactures, and the principle on which it should be founded, I have only to add that those views remain unchanged, and that the present state of those countries with which we have the most intimate political relations and greatest commercial intercourse tends to confirm them. Under this impression I recommend a review of the tariff, for the purpose of affording such additional protection to those articles which we are prepared to manufacture, or which are more immediately connected with the defense and independence of the country.

Andrew Jackson spoke to the subject many times:

Heaven smiled upon and gave us liberty and independence. The same providence has blessed us with the means of national independence and national defense. If we omit or refuse to use the gifts which have been extended to us, we deserve not the continuance of His blessing. He has filled our mountains and our plains with minerals—with lead, iron, and copper—and given us a climate and soil for the growing of hemp and wool. These being the greatest materials of our national defense, they ought to have extended to them adequate and fair protection, that our manufacturers and laborers may be placed in a fair competition with those of Europe, and that we may have within our country a supply of those leading and important articles so essential in war.

Again, he said:

Will not the people demand, as they have a right to do, such a prudent system of expenditure as will pay the debts of the Union, and authorize the reduction of every tax to as low a point as the wise observance of the necessity to protect that portion of our manufactures and labor, whose prosperity is essential to our national safety and independence will allow?

On another occasion, Jackson said:

As long as the encouragement of domestic manufactures is directed to national ends, it shall receive from me a temperate but steady support.

Finally, Jackson had this to say:

While the chief object of duties should be revenue, they may be so adjusted as to encourage manufactures. In this adjustment, however, it is the duty of the Government to be guided by the general good. Objects of national importance alone ought to be protected; of these, the productions of our soil, our mines, and our workshops, essential to national defense, occupy the first rank. Whatever other species of domestic industry, having the importance to which I have referred, may be expected to compete with foreign labor on equal terms, merit the same attention in a subordinate degree.

Mr. Speaker, I believe these quotations clearly establish that the Founding Fathers of this Nation were not free traders, as the New Orleans speech implied, but were dedicated to protecting and expanding the domestic welfare as the first responsibility of the Republic.

Mr. BROWN. Mr. Speaker, I now yield 30 seconds to the gentleman from Indiana [Mr. HARVEY].

Mr. HARVEY of Indiana. Mr. Speaker, it was my privilege last fall to visit in three of the major European countries which comprise a part of the projected Common Market. It is my very serious judgment that in view of what I learned in those conferences with officials of those countries we ought to, by all means, simply extend our present program for 1 more year.

Mr. BROWN. Mr. Speaker, I yield the balance of the time on this side to the gentleman from Kansas [Mr. AVERY], a member of the Committee on Rules.

Mr. AVERY. Mr. Speaker, and Members of the House, unlike my distinguished colleague from Ohio [Mr. BROWN] and the senior minority member on the House Ways and Means Committee, the gentleman from Illinois [Mr. MASON], I am one who has supported the Reciprocal Trade Agreements Act on each occasion that the matter has been before the House since I have been a Member. I come here today with mixed emotions and to know what action should be taken by the House for the national interest. I listened carefully to a most scholarly and certainly a most detailed presentation to the Rules Committee on this particular bill.

I am not able to recite for you the precise number of witnesses and the number of hours that were devoted to this particular hearing; but I make the categorical statement that this has had more consideration by the Committee on Rules than any other measure.

I am sure you are aware what happened in the Committee on Rules; it has already been stated on the floor. There was granted a closed rule, the rule that was requested by the Ways and Means Committee. It was granted by a vote of 8 to 7.

What was before the Committee on Rules? It is to this area I want to direct my remarks. There was a proposal, and with considerable support, that a so-called modified rule should be granted. The modified rule as proposed by some Members of the minority and some Members of the majority would have permitted three amendments to be considered on the floor during the reading of this bill. All three of these amendments had been offered to the Committee on Ways and Means, so these were not afterthoughts, nor were they amendments that had been hastily prepared. The three amendments have each developed their own identification by now. One has just been announced by the distinguished gentleman from Illinois [Mr. MASON]. It was suggested to the Rules Committee by the gentleman from Florida [Mr. SIKES] and was also proposed by the gentleman from Texas [Mr. ALGER]. We may call it now the Mason-Sikes-Alger proposal, whereby the existing Reciprocal Trade Act would be extended 1 year. No additional explanation is necessary.

The second amendment that was offered to be made in order was, shall we call it, the Herlong-Harrison-Byrnes proposal, whereby certain sections of titles II and III would be stricken from the bill.

I read in the Washington Post this morning—and I might say that frequently there are convenient leaks to the Washington Post that tend to indicate significant guides as to what the majority might be contemplating—but as I interpreted this article in the Washington Post this morning, and a similar article appeared in the Wall Street Journal, there was under consideration by the majority some inclination of perhaps accepting in part some of the provisions that would have been contained in the Herlong-Byrnes substitute as an overture to some know opposition to this bill. I suppose we will not reach that point until tomorrow.

The third amendment that would have ben made in order is more commonly known as the Steed-Moore amendment:

Since this amendment cannot be made in order under the parliamentary situation there is no need, I think, and there is no useful purpose to be served, in consuming time of the House to explain it. But I would like to say this: 48 Members—hear this, if you please—48 individual Members introduced legislation which would have become the Steed-Moore amendment. It provided that for any commodity that is determined to be necessary to our national security, a specific proportion of the production of that commodity could be reserved to domestic producers. It has been alleged that this is merely an amendment to protect the petroleum industry.

I want to refute that particular allegation because there was no mention of petroleum, there was only mention of commodities that are determined by the President at his discretion to be necessary to our national security.

I would make only one further observation in connection with this amendment, that is, that there was no intention by the authors of the amendment or anyone supporting it that a reduction would be made in the importation of crude or residual oil. It was merely to provide an assurance that the supply would become stable for a period in the future when our national security might require that stable supply.

In specific reference to the committee bill, the picture this year Mr. Speaker, is not so clear. Despite the fact that we have been repeatedly told that it is necessary to convey to the President the authority to further reduce our tariffs in order to compete for the markets in, and the products from, the six Common Market countries, on closer examination this possibility is not evident. Since there is not the attraction for the sale of agricultural commodities that has previously existed, it is only natural that a representative from the Middle West would be increasingly concerned about the broader aspects of the reciprocal trade extension. In reviewing the broader aspects and possibly results from the bill proposed by the Ways and Means Committee, I find it difficult indeed to reach the firm conclusion that the best interest of the United States would be served by the committee bill.

As the hearings progressed, the case for the committee bill became less convincing, in my opinion. Also of concern since the hearing is the rather surprising action taken by our neighbor country to the north just last week in a complete overhaul of their tariff schedule. Canadian trade is nearly equal to that with the Common Market. These developments, plus the narrow vote for a rule in our committee which precludes the offering of any amendments to this bill except those approved by the Ways and Means Committee, has further placed in doubt as to what action the House should finally take at the conclusion of general debate tomorrow.

I find myself in a dilemma which I think confronts many Members of this House. Most Members support with varying degrees of enthusiasm the principle of reciprocal trade. After that one point of agreement, however, there is

considerable difficulty in reconciling the rather extensive grants in power contained in this bill with their possible translated effect upon American industry, the American worker and the economic vitality of our entire Nation. This is not just an ordinary time in global economics. This is a most sensitive era in which there are certain economic factors definitely shifting from one social and economic system to another. I am not entirely convinced that at such a critical time it would best serve our national interest to further delegate from Congress, the branch of Government most responsive to our economic barometers, to the Executive.

There is one point that cannot be over-emphasized, and that is the fact that a substantial amount of authority that was contained in the 1958 Act had not been utilized until the so-called Geneva agreements which were reached last March. The effect of these newly executed agreements cannot be truly evaluated in our markets until much later this year. It is for that reason that I shall most certainly support a recommital motion which will extend the present Act and I am reserving judgment on my final position should that recommital motion not prevail.

One further comment in regard to the potential sale of agricultural products. As I understand the agreements that were entered into in Geneva, all quotas on American agricultural commodities are to be abandoned in July of this year. A target price has been established, which is the median of the individual prices of the six Common Market countries. The limitation occurs, however, by virtue of a levy that is imposed on each bushel of grain to represent the differences between the so-called target price and the world price, which is set at approximately $1.40 a bushel. In my opinion, this levy is merely a different form of tariff and becomes a burden upon the importation of wheat or feed grains from the United States, particularly for wheat. This has been done to protect the much higher market in the Common Market block than the world price. This has a dual adverse effect upon the American exports.

As is commonly known, there is an export subsidy paid to the exporter who sells wheat for hard dollars, but in turn the possibility of negotiating a sale in the Common Market will be determined largely by the levy that has been agreed upon by the six countries and recognized by the United States. We are in a somewhat more favorable position with feed grains, but that may only be a temporary situation. I might add that at the present time, there is no export subsidy on feed grains, and the United States can presently deliver feed grains to Western Europe below the price of any other countries.

And one final observation, Mr. Speaker. It was testified by several witnesses to the Rules Committee that there are only four countries in the world with tariffs lower than those presently scheduled by our own country. These countries are Denmark, Sweden, Switzerland, and West Germany. Our tariff rates are generally about 13 percent of the estimated value of the imported commodity. If this is true, I am unable to understand why there is such a great emergency for an extension of power to further reduce these same rates. If our rates were unreasonable and disproportionately high, I could much better understand the emergency that seems to prevail on the part of the administration for obtaining this authority. The high standard of living that prevails in this country naturally brings about the greater existing market in the world. Since we have this great market, we very naturally and very obviously become the objective of any foreign exporter. We have the market and we already have virtually the lowest tariffs; therefore, we must move with great caution in the next few years in further reducing our tariffs, which would open our market to even more foreign competition.

And in this same context, Mr. Speaker, I would like to observe that there has been much lacking on the part of the negotiations from the United States. We have had a Reciprocal Trade Act for almost 30 years, and over this period we have apparently been out-maneuvered and out-bargained, or for what other reason could we find ourselves near the lowest level of the worldwide tariff structure. So I hope this debate will serve notice to those who are negotiating tariff schedules for us in the future, whether it be under the committee bill or whether it be under an extension of the present act, that Congress expects a better record from them in the procurement of rules for our economic competition. I do not pretend to understand all the complexities which are involved in the establishment of tariffs, but the existing low rates establish beyond a doubt that we have not been unaware nor unresponsive to the economic forces in a changing world.

(Mr. AVERY asked and was given permission to revise and extend his remarks.)

Mr. BOLLING. Mr. Speaker, how much time have I remaining?

The SPEAKER. Twenty-two minutes.

Mr. BOLLING. Mr. Speaker, I would like to make it clear I do not propose to use the 22 minutes remaining. However, I would like to remind the House that this rule is the usual rule. It is the kind of rule which was adopted in the 80th Congress and the 83d Congress and, as far as I know, in every case that we have had this particular legislation before us. So I am delighted that there appears to be no controversy over the rule.

I agree with the gentleman from Ohio that this is a matter that should be considered in a completely nonpartisan fashion. I merely wish to point out that this rule is also nonpartisan, because regardless of which party was in the majority in the House this bill has always been considered under a closed rule.

(Mr. DENT asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. DENT. Mr. Speaker, John Stuart Mill once said:

> If all mankind minus one were of one opinion, and only one person were of the contrary opinion, mankind would be no more justified in silencing that one person, than he, if he had the power, would be justified in silencing mankind.

Although this is the most serious and by all measurements the most important issue to face this generation of Americans, the rules of this House make it possible for this legislation to be acted upon with the opposition forces practically stifled by the rule granted which makes open debate and free discussion limited by time, the selection of the speakers and the time alloted to each speaker.

I find this to be as serious a matter as the legislation itself. Throughout the entire past year and a half the one-sided, biased treatment of this issue by the news media has practically killed off all opposition and now we find ourselves acting upon this legislation with many of us voting who cannot, in my humble opinion, answer these 30 basic questions:

First. How much did the United States sell in export and how much did we buy in imports?

Second. How much of our total export was given away under foreign aid, how much under the food-for-peace programs, and how much was given under the guise of sales under Public Law 480?

Third. How much of our exports was manufactured, semimanufactured, raw material, fuel, minerals, and agricultural products?

Fourth. How much of our import was high labor content product? What percentage of change in the character of our imports and exports since 1958 after the passage of the 4-year extension of the Reciprocal Trade Act?

Fifth. How many dollars did it cost the U.S. taxpayer to export 15 percent of our agricultural products? How many bales of cotton sold at subsidized prices returned to the United States in the form of manufactured textiles and consumer goods? How many markets were lost to American textiles because of our subsidized exports of cotton to competitive foreign countries?

Sixth. How many workers are employed in agriculture? How many workers are employed in U.S. manufacturing? How many in Government, how many in all other endeavors? What is the total income earning population of the United States?

Seventh. How many less are employed in any one of the given number of manufacturing plants in the United States today than there were 10 years ago?

Eighth. What is our population today as compared to 10 years ago?

Ninth. What is the U.S. consumption per capita today compared to 10 years ago? What is our per capita production? What is the per capita consumption of U.S. produced goods, the difference between these three equasions, U.S. production, U.S. consumption, U.S. imports?

Tenth. What percentage of our gross national product is export, what percentage import? What percentage of export to gross national product is actual

sales and what was the percentage of sales every year since 1900 as compared to the so-called banner year of 1961?

Eleventh. What is the U.S. rate of tariff as compared to any other nation? What is the final charge against U.S. goods in any other nation compared with final added charges against that country's goods coming into the United States?

Twelfth. What assurances has any Member of Congress that the same procedures and results would not obtain under this act as resulted after 28 years of reciprocal trade agreements with the United States doing all the tariff cutting and the foreign countries all the growing?

Thirteenth. How many jobs can we account for from exports? Using the same base for computation how many jobs are lost by imports?

Fourteenth. How many industries engage in exports and how many depend entirely upon the domestic economy?

Fifteenth. How many cases has the Tariff Commission heard under peril-point and escape-clause action? How many were recommended for relief? How many were vetoed by the President then in power?

Sixteenth. How will the proposed peril-point and escape-clause sections of this proposed act compare with the old law in effectiveness, in protection and relief for domestic industry?

Seventeenth. What is the wage level in manufacturing and nonmanufacturing and the per capita national tax in the: United States, Common Market, Great Britain—alone—Outer Seven—including Great Britain—Turkey, Greece, satellite countries—with whom we deal—Poland, Yugoslavia, and indirectly with all Red front nations—Latin America, Asia, Africa, Australia, Canada?

Eighteenth. What is West Germany's position on the coal tariff whether we pass the legislation or not? What is the Common Market position on tariff cuts with the U.S. competitive goods regardless of the action of this Government under title I? What is the difference in the future world trade pattern occasioned by our favored nation clause and the Common Market article 35 of the European Economic Community agreements?

Nineteenth. What happens if and when Great Britain joins the Common Market to the British Commonwealth agreement on the exclusive trade concessions to commonwealth countries? What changes will this make in our marketplace under the favored-nation clause when we cut tariffs to zero to the Common Market, pass the same rate on to all favored nations, including former commonwealth preference nations, while at the same time the Common Market, including Great Britain, puts up a solid tariff wall against all but the U.S. high production cost imports?

Twentieth. How many dollars are taken from the U.S. marketplace, tax treasury, investments by the import of $1 labor content in a product from (a) the Common Market (b) Japan, (c) Korea, Hong Kong, (d) Latin America, (e) Asiatic nations, (f) African nations?

Twenty-first. How many dollars of payroll are created by our total exports and how many dollars of payrolls are displaced by our imports? What has been the effect of our trade policy on automation? Has foreign competition accelerated the swing to automated production or has it slowed it down?

Twenty-second. Which nation, large or small, or in between, allows American products competitive with their own to be offered for sale to the consumer at a price lower than the domestic product regardless of ratios of trade balances, percentages of tariff rates, or any other agreement or treaty on trade between this and that particular nation.

Twenty-third. What percentage of the imports into the United States are produced in plants American owned, American controlled, or American financed by public or private funds? What percentage of actual sales of manufactured products in our export are components going abroad to be processed for return sales in the United States?

Twenty-fourth. What percentage are raw materials such as cotton, logs, leather, peanuts and last but not least what percentage of our sales of manufacturing equipment, machine tools, utility equipment are being bought by runaway American industries who are setting up manufacturing processes in foreign countries to eliminate their own exports from the United States to their foreign markets as well as to export finished goods under their U.S. brand names to the domestic U.S. market?

There are still many questions that have been left unanswered, but one more should be answered before a final vote on this legislation.

Twenty-fifth. This is question 25, one for each of the 25 effective years of our present trade policy—we eliminated the war years. This question may be the most important of all since it appears that the legislation is being passed in an atmosphere of disregarding the economics and emphasizing the political and diplomatic benefits we have and are about to receive from what has been described on occasion as a "breakthrough on trade."

This question simply put is this. Who are the real pushers for this legislation? How many benefit finally from its passage? How many are registered agents of foreign countries? How much money has been spent out of public funds as well as private and foreign funds to promote this legislation?

Twenty-sixth. What is the percentage of our farm exports that are subsidized and what percentage of our imports tariffed as against the balance of trade for the unprotected farm products?

Twenty-seventh. What is the total acreage of farmland acreage displaced by the net trade in beef and beef products?

Twenty-eighth. What is the 10-year balance of trade in wheat, rye, oats, and corn?

Twenty-ninth. What is the balance between the U.S. total imports in 10 years and the U.S. surplus?

Thirtieth. How many more workers were there employed on the farms in 1960 when we exported $4½ million of farm products as against 1950 when we exported one-half as much farm products?

Mr. Speaker, I do not know all the answers, but for over 4 years I have worked at getting answers. They are debatable, but they are an attempt to give my constituents, the injured workmen, the injured investor, the distressed community some knowledge on these points of interest in this vital issue.

The answers will follow, as near as I can get the answers, since many doors to the records were closed to me and to the committee as a whole.

If I err in any of my answers to these questions, please believe it is an error of the head and not of the heart. No person amongst us wants the truth to be known any more than I do. I shall with the Chair's indulgence offer the answers on 1 day of the debates. There are 20 questions, allowing 4 percent for each question. How many of us can come up with a passing grade of 75 percent?

The last question is this: How can anyone of us afford to gamble our future without answering at least 50 percent of these questions, at this moment from our own knowledge?

If we are Members where minds can be set to rest by arguments ignoring the economic, practical, and commercial facts of our trade policy there is no use in our attempting to answer these questions for two reasons: First, we will not know the answers; and second, it will not make any difference. However, to those amongst us who believe that this is a question to be considered first from its economic impact and second from its political aspects then the answers to these questions are essential and of the greatest importance.

Mr. Speaker, I for one cannot find up to this moment sufficient excuse or reason to vote to put any worker out of a job no matter where he lives, no matter what his life's work may be to benefit another American and certainly not to benefit another worker who is not an American. The contemporary press may give credit to the executive branch for the passage of this so-called great leap forward in trade relations, but I predict that if this legislation passes both Houses of Congress and is put into effect by the executive branch of the Government, the future historians will lay the blame for its failure at the doorstep of Congress.

Long after the Chief Executives are out of office, the records of Congress endure and have a way of replacing the present glory with the cold facts of the past. This legislation ignores the past, glances over the present, and mortgages the future. Thomas Paine put it this way:

> Every age and generation must be free to act for itself in all cases as the ages and generations which preceded it. The vanity and presumption of governing beyond the grave is the most ridiculous and insolent of all tyrannies. It is the living, and not the dead that are to be accommodated.

Mr. GLENN. Mr. Speaker, the Constitution of the United States provides that Congress shall establish duties and tariffs

on imports. The first legislation passed by the first Congress in 1789 was a tariff bill by James Madison, a Member of the House of Representatives. For more than 100 years, customs collections yielded more revenue to the Federal Government than any other source. However, the beginnings of a protective tariff and a protest against it came shortly after 1812. Alarmed by a rush of imports after the War of 1812, industries called for protection.

The Tariff Act of 1816 was passed raising duties on woolens and cottons. In 1824, further tariff duties were set on imported iron, glass, and other products. Tariffs have swung up and down ever since. The Underwood Tariff Act of 1913 lowered many duties, but also began freeing some items from duty such as raw wool, iron, raw sugar, coal, lumber, wheat flax, tea, and newsprint.

Now arose a great clamor for protection of American industry from products of low wage countries, and in 1930 the Smith-Hawley Tariff Act was passed, raising import duties to record levels, sometimes more than 50 percent.

In 1934, President Roosevelt obtained passage of the Trade Agreement Act, which allowed him to cut our tariffs in half in exchange for equivalent concessions from other governments. This authority to the President by Congress has been restricted by almost annual subsequent amendments, and it is now claimed that the negotiating power of the President has been impeded by such restrictions.

President Kennedy now proposes an altogether new concept which he captions as follows:

> At rare moments in the life of this Nation, an opportunity comes along to fashion out of the confusion of current events a clear and bold action to show the world what it is we stand for.

He wants Congress to delegate to him a general authority to reduce existing tariffs by 50 percent, and a special authority to eliminate all tariffs on all products where the United States and the European Common Market account for 80 percent of world trade. Both delegations to be for a period of 5 years.

He proposes these administrative steps in place of the present tariff-fixing procedure:

First. He refers to the Tariff Commission the list of tariff items for reduction or elimination.

Second. The Tariff Commission conducts hearings to determine the effect of concessions on the products.

Third. The Tariff Commission reports its findings to the President. This report is advisory only and will contain findings as to how new imports would effect idling of productive facilities, inability of domestic producers to operate at a profit, and resultant unemployment of workers.

Fourth. The President will then reach a decision and after completion of his negotiations for reduction or elimination of tariffs, will report his actions to Congress.

There is no question but that complete control of reduction and elimination of tariffs will be solely in the hands of the President under the foregoing procedure.

Justifying any action he may take as under national policy and general welfare, he then offers a program of relief entitled "Trade Adjustment Assistance," to offset, but not remedy, any damage suffered by business or workers from increased foreign import competition.

To the businessman or farmer, who suffers damage under this program, he offers:

First. Technical information, advice, and consultation to help plan and implement an attack on the problem.

Second. Tax benefits to encourage modernization and diversification.

Third. Loan guarantees and loans otherwise not commercially available to aid modernization and diversification.

To the worker, who suffers the loss of his job, he offers economic readjustment as follows:

First. Vocational training assistance to develop different skills.

Second. Readjustment allowance providing as much as 65 percent of the individual's average weekly wage up to 52 weeks with unemployment benefits deducted from such allowance.

Third. Financial assistance to those who cannot find work in their present locality to relocate in a different place in the United States where employment is available.

This is not a very pretty picture for families, who have lived and worked in an area for years and generations, and who are now enjoying the highest standard of living of any nation in history. Before I will join in favor of any program to place in one man's hands the right to lower the living conditions of perhaps millions of our citizens, for what he may consider to be his national policy, I will have to have conclusive proof that the general welfare of the Nation is so endangered by the alleged threat of foreign competition, that we must take such drastic action as is requested under this tariff reduction plan, which is so nicely referred to in the President's message as "trade expansion plan."

If his overall plan in the next 5 years is effected to the point where all tariffs are removed, and we do enter into an open world market with price competition on all products, there is bound to be a fluctuation of the living scale of all nations trading therein either up or down to a common level. Which would it be with us?

The risk is too much and the danger is not sufficiently apparent even though the great propaganda campaign to convince the American people of the dire necessity of this new experiment has been underway for the last 6 months. Every Member has received tracts and brochures, not only by the public relations branches of every department and agency of Government, but also from every national organization, including management and labor, that the administration can prevail upon to enter into the fray. I am not convinced that there are signs of trouble ahead for our foreign trade. Between 1958 and 1960, our exports increased by the following percentages in these categories: Foodstuffs and tobacco, plus 30 percent; cotton, plus 58 percent; textile fabrics, plus 74 percent; wood products, plus 106 percent; iron and steel, plus 53 percent; copper and copper alloys, plus 60 percent; chemicals, plus 47 percent; machinery, plus 50 percent; and aircraft, plus 252 percent.

What better record would you want than that? Should we rock or even upset the boat when we are exporting more than ever before in these basic items? Therefore, what reason is there for opening the floodgates to foreign competition in our domestic markets.

I defy any expert to prove to me or any average American how we can compete with foreign-made goods in our domestic market when our average wage scale is $2.34 an hour as compared to that of Great Britain, 0.89; West Germany, 0.63; Belgium, 0.57; France, 0.44; Italy, 0.35; and Japan, 0.28.

There is only one way to meet this foreign competition without the benefit of tariff protection, and that is by lowering our scale of living to that of our foreign competitors—in other words, pay our workers anywhere from 0.89 an hour down to 0.28, and then see what happens to our economy.

Presently, the so-called nations of the Common Market of Europe are still negotiating their own trade adjustments, and England and the Commonwealth nations are not as yet part of the program. We, under the present law, are negotiating from time to time with the individual countries for adjustments of tariffs.

The fear of the administration is that eventually the Common Market will increase their tariffs against our products as a unit, unless we reduce our tariffs on their products. I see no reason why we cannot cross that bridge when we come to it, taking into additional consideartion the fact that most of these nations are very largely indebted to the United States for war and Marshall plan debts. In addition to this, they are presently receiving foreign aid, both military and economic, so that if there is any favorable bargaining position, it is certainly with us and not with them.

As the representative of the glass, textile, and other small industries of our Second District of New Jersey, I cannot afford to take a chance of placing so much power in the hands of one man to remove tariff protection, which we presently have in these industries. Even with this protection, there is additional foreign competition entering the American market every day.

I understand the wage scale in foreign countries, particularly in Europe, is rising. All right—if their wage scale goes up so will the cost of manufacturing their goods go up, and when it reaches our level, then will be the time to remove our tariff protection and not now.

I am definitely opposed to this bill.

CALL OF THE HOUSE

Mr. BASS of Tennessee. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. BOLLING. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 131]

Addonizio	Diggs	Powell
Alford	Dwyer	Riley
Anfuso	Flood	Rogers, Tex.
Barrett	Garland	Saund
Bass, N.H.	Hall	Scherer
Blitch	Harris	Shipley
Brewster	Hoffman, Mich.	Smith, Miss.
Chelf	Horan	Spence
Coad	Jones, Mo.	Stratton
Cooley	Kearns	Stubblefield
Corman	Kowalski	Thompson, La.
Curtis, Mass.	Libonati	Thompson, N.J.
Davis, James C.	McSween	Thornberry
	McVey	Yates
Davis, Tenn.	Moulder	

The SPEAKER. On this rollcall, 393 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

TRADE EXPANSION ACT OF 1962

Mr. BOLLING. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

TAX RATE EXTENSION ACT OF 1962

Mr. MILLS. Mr. Speaker, I call up the conference report on the bill (H.R. 11879) to provide a 1-year extension of the existing corporate normal tax rate and of certain excise tax rates, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of June 26, 1962.)

Mr. MILLS. Mr. Speaker, as the Members will observe from the reading of the conference report, it is a unanimous report, signed by all of the managers on the part of the House as well as the managers on the part of the Senate.

Mr. Speaker, as passed by the House, the bill, H.R. 11879, provided for a 1-year extension of the present corporate income tax rate and certain excise tax rates which, under existing law, are scheduled to be reduced or terminated on June 30 of this year. The House bill also provided that the 10-percent excise tax on transportation of persons by surface carriers would be extended to December 31, 1962, at which time this tax would terminate. In addition, the House bill extended the 10-percent tax on transportation of persons by air to December 31 at which time the tax rate would be reduced to 5 percent and remain in effect at this level until June 30, 1963 when it was scheduled to be terminated.

Mr. Speaker, no amendments were made by the other body to the basic 1-year tax rate extensions provided in the House bill. However, that body did amend the House bill in three respects.

One amendment made by the other body would have accelerated the scheduled termination date of the surface carrier transportation tax and the scheduled reduction date of the air carrier transportation tax from the December 31 date provided in the House bill to September 30, 1962. Like the House bill, a 5-percent tax on transportation of persons by air would have been continued in effect until June 30, 1963. However, under this amendment, the revenues of the Federal Government in the fiscal year 1963 would have been reduced by some $55 million below the estimated revenues that were provided under the House bill.

The second amendment made by the other body would have exempted from the tax on transportation of persons by air the U.S. portion, or leg, of certain uninterrupted international air travel in which the scheduled stopovers at the U.S. airports did not exceed 6 hours' duration. This amendment was designed to equate the tax treatment of international air travel that involves brief stops en route at U.S. airports with that presently accorded similar travel that involves en route stops only at foreign airports. However, this amendment, which would have been effective for international air transportation beginning after September 30, 1962, would have reduced revenues for the fiscal year 1963 by some $3 million and would have resulted in a loss of $4 million in revenues in a full year of operation. There was no comparable provision in the House bill.

The third amendment made by the other body would have exempted amounts paid for certain private line and leased wire services rendered after June 30, 1962, from the Federal excise tax on communications. This amendment was designed to deal with the competitive inequity that developed by reason of the action of the Federal Communications Commission in setting aside certain radio frequencies for private microwave communication. This action permitted taxpayers to purchase communications equipment and provide their own private communications service on a tax-free basis whereas other taxpayers are subject to tax on amounts paid to communications carriers who provide them with similar service.

This amendment was also designed to deal with the present discrimination that exists against television viewers who live in remote areas and who are forced to rely on community antenna television service for reception, by exempting the companies providing them with this necessary service from the communications tax. However, this amendment would have reduced the revenues provided under the House bill by some $14 million in fiscal 1963 and by some $18 million in a full year of operation.

Mr. Speaker, your conferees were successful in prevailing upon the conferees of the other body to agree to a postponement of the effective dates of the amendments made by that body to the House bill in view of the critical budgetary situation that would be faced by the Federal Government in the fiscal year 1963. Under the conference agreement, the effective date of the two amendments made by the other body to the tax on transportation of persons is to be November 15, 1962, rather than the September 30 date provided in the Senate bill. On that date, the tax on surface carrier transportation will terminate and the tax on air transportation will be reduced to 5 percent at which level it will remain until the scheduled termination of this tax on June 30, 1963. This postponment in the effective date of the transportation tax amendments, will recoup some $28 million of revenues that would have been lost during fiscal 1963 under the bill as passed by the other body.

The conference agreement also postpones from July 1, 1962, to January 1, 1963, the effective date of the amendments made by the other body which would exempt certain private line and leased wire services from the 10 percent communications excise tax. This postponement in effective date will result in a saving of some $7 million in revenue in the fiscal year 1963.

All told, Mr. Speaker, your conferees were successful in insisting upon provisions which will recoup just about half of the revenues that would have been lost in fiscal 1963 under the amendments made by the other body.

In view of the fact that if the bill is not signed into law by June 30 of this year, the revenues of the Federal Government for the fiscal year 1963 will be reduced by about $2.7 billion, I strongly urge my colleagues in the Congress to give favorable consideration to the adoption of this conference report.

Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

MIGRATION AND REFUGEE ASSISTANCE ACT OF 1962

Mr. WALTER. Mr. Speaker, I call up the conference report on the bill (H.R. 8291) to enable the United States to participate in the assistance rendered to certain migrants and refugees, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of June 26, 1962.)

Mr. WALTER (interrupting the reading of the statement). Mr. Speaker, I ask unanimous consent that further reading of the statement be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. BURLESON. Mr. Speaker, reserving the right to object, may I ask the gentleman if this has anything to do with the admission of Chinese refugees to this country?

Mr. WALTER. It has not. This has to do with programs that have been in effect for some time and were authorized under the foreign aid bill. It dates back to 1954. It merely transfers these activities out of that legislation into separate legislation.

Mr. BURLESON. And any legislation dealing with the so-called Chinese refugees from the Hong Kong area would have to be separate legislation?

Mr. WALTER. Yes, indeed.

Mr. BURLESON. I wanted this matter made absolutely clear because I expect to oppose any action on admitting these so-called refugees from Communist China.

Mr. Speaker, I withdraw my reservation of objection.

Mr. GROSS. Mr. Speaker, further reserving the right to object, did the other body make any substantial changes in the bill as it passed the House?

Mr. WALTER. No. As a matter of fact, with the exception of the reorganization procedures which we had written into the bill, they accepted our proposals. The one that I think covers the situation the gentleman has in mind was their agreeing to the provision which requires the head of the Bureau of Security and Consular Affairs to be confirmed by the Senate. That was the provision that caused many months of delay in even coming to a meeting.

Mr. GROSS. I thank the gentleman for his information and, Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

(Mr. WALTER asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. WALTER. Mr. Speaker, in further explanation of the effect of the action taken by the conferees, I wish to recapitulate briefly the provisions of the bill H.R. 8291 as it now emerges from the Committee on Conference.

The subject matter of this legislation is rather well known to the House as action on it has been taken by the House on two separate occasions. First, by passing H.R. 8291 on September 6, 1961, in its original form; and, second, by approving substantially the same legislation in a modified form, H.R. 10079, on March 13, 1962.

The principal purpose of those two bills is to separate from the foreign aid legislation the statutory authority under which the United States may participate in two international programs of assistance to migrants and refugees, and operate unilaterally one assistance program in behalf of refugees.

Further, it is the purpose of both bills to provide new authority to assist certain refugees from the Western Hemisphere, Cuban nationals, who entered the United States seeking in this country asylum from Communist persecution. This assistance has been heretofore rendered through the allocation of certain funds taken out of the President's contingency funds appropriated under the foreign aid program. Considerable burden has been placed by the presence of Cuban refugees upon a few communities and Federal assistance became, of course, a matter of vital necessity.

None of the four migration and refugee programs could properly be classified under the foreign aid concept as revised last year and the Congress readily agreed with the President when he called for legislation providing separate statutory authority for this type of assistance operations.

In addition to the basic authorization, the bill which the managers on the part of the House have now placed before the House, contains authority for the President to meet unexpected refugee and migration problems by using not to exceed $10 million in any fiscal year out of contingency funds appropriated under the foreign aid legislation. The balance of the provisions of the bill reenacts, with appropriate modifications, those administrative provisions of the foreign aid program which are applicable in the administration of the type of assistance envisaged in the bill.

Except for the assistance program affecting Cuban refugees, which as a domestic program is administered by the Department of Health, Education, and Welfare, the three other assistance programs will remain under the administration of the Department of State, specifically under the authority of its Bureau of Security and Consular Affairs.

Realizing the importance of the functions exercised by the Administrator of the Bureau set up pursuant to section 104(b) of the Immigration and Nationality Act, the Committee on the Judiciary sought to raise the stature of the incumbent of that office with a view toward obtaining the services of a person fully qualified to administer the international programs, as well as to supervise all activities of the Department of State in the field of passports, visas, and related immigration and security matters. Provisions to that effect appeared in title I of the bill, H.R. 10079.

Due to difficulties which developed in the other body, the bill now before the House does not provide for the much desired complete reorganization of the Bureau of Security and Consular Affairs. However, the bill does change the status and the standing of the chief officer of the Bureau by requiring that he be appointed by the President, by and with the advice and consent of the Senate. The managers on the part of the House have in their formal statement stressed the vital necessity of obtaining the services of a thoroughly qualified person to occupy this particular position.

Under an amendment of the Senate, the requirement of Senate confirmation in the case of the chief officer in the Bureau of Security and Consular Affairs of the Department of State would have been effective 30 days after the date of enactment of this bill. The managers on the part of the House were unwilling to accept this deferred effective date of the very important new provision and succeeded in prevailing upon the Senate conferees to delete the provision regarding the delay of 30 days. In that connection, I received yesterday a letter from the Acting Secretary of State, Mr. George W. Ball.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

TRADE EXPANSION ACT OF 1962

Mr. MILLS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 11970, with Mr. BOLLING in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Arkansas [Mr. MILLS] will be recognized for 4 hours, and the gentleman from Illinois [Mr. MASON] will be recognized for 4 hours.

Mr. MILLS. Mr. Chairman, I yield 50 minutes to the gentleman from Louisiana [Mr. BOGGS].

Mr. BOGGS. Mr. Chairman this might very well be described as a historic debate, because it is just that kind of discussion. As all of you know, since the very inception of our Republic the subject of tariffs and the adjustment of tariffs and the raising and lowering of tariffs has been a matter of national discussion and a matter in some instances of national division.

It was in 1832 or thereabouts in the administration of President Jackson that the Congress passed what came to be called by our late lamented colleagues from the great State of South Carolina the Tariff of Abominations. It was the Tariff of Abominations, so-called, which led one of the great leaders in my section of this great Nation, John Calhoun, to enunciate the doctrine of nullification. It was President Jackson who said the Union would be preserved and there would be no nullification.

After the War Between the States, again the tariff issue arose and it was under an outstanding Republican chairman of a great Committee on Ways and Means that the first delegation of power in the field of tariffs was passed by the Congress of the United States in the Tariff Act of 1890, an act authorized by Congressman McKinley, then chairman of the House Committee on Ways and Means. In 1897, as President of the United States, he signed the Tariff Act of 1897. That act also gave authority to the President of the United States to negotiate concessions in exchange for concessions, which fundamentally is what we are asking for here today in this year of our Lord 1962.

From 1897 until the conclusion of World War I, our Nation was primarily concerned with internal expansion. We built railroads, steelmills, manufacturing establishments; we saw the beginnings of the great automobile industry; we passed legislation making possible, incidentally, under the chairmanship of a great man from Alabama, the construction of the vast national highway system. So, in this period, we were preoccupied with internal development, internal expansion, and internal industrialization.

Following World War I the demand for our goods was so great everywhere on earth that we sought no assistance in developing our export markets. But there came a day in 1929 when suddenly the prosperity which we felt would continue indefinitely, ad infinitum, collapsed. We turned then to the thought that the way to prevent any further difficulty was to do what the gentleman from Ohio advocated, to ban cheap foreign imports. We started looking inwardly because we believed our problems arose because somebody, somewhere, was producing goods cheaper than we and were sending them here and putting our people out of employment. Thereupon in a massive effort requiring months of study and unparalleled activity and work on the part of the Members of this body and, more particularly, the Committee on Ways and Means and its sister committee in the other body, the Committee on Finance, the Congress itself wrote out specific tariff schedules numbering, I am told, something like 2,000 individual specific schedules covering thousands of articles. There emerged an act—the Smoot-Hawley Tariff Act—which was signed into law in 1930 by former President Hoover.

Whether or not this act contributed to, or had any appreciable effect upon, the depression of the 1930's, only economists and historians will be able to judge adequately, objectively, and unbiasedly. But this much is known and can be said without fear of contradiction: The Smoot-Hawley Tariff Act which was designed to bring about prosperity, brought the opposite. At least the opposite of what was expected followed. Maybe the 1930 act did not bring it about although many believe it did. But in place of prosperity, the downward spiral continued and we had great economic dislocation on the farms and in the factories and in the cities and elsewhere throughout this vast Nation of ours.

In 1934 we took another look—we took a new survey, so to speak, and under the direction of a new Secretary of State who had previously served as a member of the House Committee on Ways and Means, we enacted the first Reciprocal Trade Act in 1934. Mr. Hull said that his program was not free trade—and it was not free trade. And what we are doing here today is also not free trade. It is mutually beneficial trade.

What Mr. Hull said was: Give the Executive the power to negotiate agreements for the advantage of the United States of America, and get concessions from foreign nations in exchange for our concessions. In other words, a paraphrase of the well-known concept that all of us have heard—a "quid pro quo," you give something for getting something. That is what the 1934 act contemplated, that is all it did; and all through the years, the 11 times that we have extended the act, that has been the basic philosophy behind it.

I might add that we do have much free trade here in the United States, as a matter of fact. The vast majority of trade which we as a nation conduct with the other nations of the world is conducted on a free basis. Let me give you just one or two examples: When you go to a grocery store to buy bananas, you are buying something not one stem of which was, or is, produced within the continental limits of the United States. When you go to the market to buy a pound of coffee, you buy something which also is not produced in the United States. As a matter of fact, every tropical product you can think of, cocoa, pineapples, coffee, bananas, and so on—all of these come in free. Why? Because it only makes economic sense that they come in free. We could produce bananas in the United States; we have enough farm technology, enough ingenuity, to build the greenhouses to grow banana plants; we can overcome the severe frosts we have even in the southern part of our country so that we could produce bananas in the United States. But if we did, the cost to consumers would probably be well over a dollar a pound and few would be able to buy them. In following this nonsensical economic process, we would have alienated the peoples of Honduras, Guatemala, Peru, and countless other nations which have been our friends.

So what we are talking about in this bill is a relatively small part of the total imports of the United States.

Coming back to the 1934 act, this legislation was adequate for those times. The amount of trade we carried on with the rest of the world compared to today's figures was very small. Then, of course, as you know, Hitler was rattling swords all over the world, and we soon, after enactment of the first extension of this act in 1937, had to turn to preparation of this Nation for an international conflict.

After the conclusion of the firing part of that war, we renewed that act; and again it was adequate because the problem we had then was not that of establishing markets or maintaining markets, but of being able to supply the tremendous demand in the world for our goods. Europe was in ruins; Japan had been destroyed. The only competitive nation on earth which had any industrial complex at all was our neighbor to the north, Canada. So that at least during the forties and through most of the fifties the problem was not one of competition but one of supply.

Now we come to a new time in the sixties, and we require the same kind of devotion, the same kind of bold approach that Cordell Hull and his associates displayed in 1934. These qualities are required now in 1962, but for different reasons, but there are equally valid reasons, and, if anything, more commanding reasons.

We have seen one of our very fond dreams come to pass. Not too many years ago, we sat here on a bipartisan plane—I was here, and many of you also were here—and we saw perfected the Marshall plan, a plan which continued through the administration of President Eisenhower. As a matter of fact, it was President Eisenhower's immediate superior in arms in World War II who proposed the Marshall plan. In perfecting that plan—I remember it very vividly because I had some little part in its resolution—it was provided that it should be administered as a joint enterprise in Europe, that it should not be administered on a piecemeal basis or nation-by-nation basis.

Why did we do that? Our first experience in this postwar situation had been with Greece and Turkey. We looked down the long, rough road ahead and we saw communism moving across Europe. We saw country after country, nation after nation, being infiltrated and taken over from within. We recognized that if once and for all we could bring about some type of economic unification of the Continent of Europe we would see a power thoroughly competent to stand on its own feet and equal in every respect to the strength that the Soviets had amassed as a result of its territorial grabs following World War II.

Who were the great architects at that time? Who were the men with vision and foresight to see what had to be done? There was Will Clayton, who was Under Secretary of State. A great man, God bless him, he is still alive. There was George Marshall, now deceased, a great American. There was Arthur Vandenberg, a Member of the other body, a man of great statesmanship. On the other side of the water there was, and there is Jean Monnet, a man who in his visions during all of his life has seen a Europe as it was, and a Europe of Roman Empire-type makeup, a Europe strong, prosperous, and moving ahead in unity.

The success of the Marshall plan led to the emergence of one event after another. First, the Benelux merger. Next the formation of the European Coal and Steel Community, which for the first time brought together in a spirit of cooperative venture the great economies of France and Western Germany. There then followed the OEEC which

now has spread and embraces us and others in the form of the OECD. Then unobtrusively, without fanfare or headlines or the glare of publicity, representatives from six governments sat down in Rome, people from France, Germany, Italy, Belgium, the Netherlands, and Luxembourg and perfected the charter of the European Economic Community, the Treaty of Rome.

In the Rome Treaty, it was agreed that over a period of years the members would gradually eliminate the barriers of travel by people and by goods, and would bring their economies together for the first time since the collapse of the Roman Empire. Nobody thought it would happen, least of all, I suspect, our friends in the United Kingdom. As a matter of fact, my good friend Mr. HARVEY, talked about his visit to the Common Market countries. I visited them three times. In a visit I made in 1958, there was a man named Maudlin; he is still around. He was and is an official of the British Government. Mr. Maudlin and his friends in England at that time said that unity in Europe very likely could not happen. Nevertheless, they must have had some fears about their conviction that the continental plan of unity would work. For they finally set up the European Free Trade Association—the Outer Seven.

The Outer Seven was to be a competitive device, to offset the Common Market of the Six. It was not long, however, before it was clear that the loose-knit Seven were no match for the Six and the latter has emerged as the only powerful entity in Europe. Let me make one other observation on the Common Market basic makeup as I go along, if I may. Anticipating that because of drastic reductions in tariffs which were contemplated—and believe me, they were as drastic as you could get, for they involved finally complete elimination of tariffs—there might be great dislocation in industry and in employment, the Common Market set up a fund to take care of workers who were displaced by foreign imports and to take care of the industries which were put out of business by foreign imports. As a matter of fact, there was no more protective organization on the face of this globe than the French Manufacturers Association, as all of you know. They argued that they could not conceivably compete with the Volkswagen in their automobile industry with German machine tools.

So, they argued, they needed some type of adjustment, some type of assistance fund to remedy the damage they saw was inevitable.

Well, now, what happened? Today in the United States—and I say this with great concern—we are growing at a rate of approximately 3 percent per annum. All of us know that this is not enough. In the United Kingdom the rate of growth is about 2.5 percent. But in the six countries of the Common Market, the rate of growth has been approximately 6 percent. All of the fears about the lowering of tariffs and the loss of jobs and closing of plants proved baseless.

What does the market's growth rate mean translated in terms of jobs, employment, production, and so forth? In the United States, our steel industry is operating today at about 50 percent capacity. The aluminum industry is similarly operating at less than capacity. I could go on across the industrial line and show where industrial capacity of the United States, across the board, despite our vast expenditures for national defense, is something less than 75 percent. In the six nations comprising the European Common Market the productive capacity approaches 90 percent.

And, there is no unemployment. Before the Treaty of Rome there were something like 200,000 people unemployed in Italy alone. As a matter of fact, the gentleman from Pennsylvania, one of our great distinguished leaders in this body, was confronted constantly by bills in this body to up the immigration quota provision mainly because of the unemployment problems prevailing in Italy. Today there is no unemployment in Italy.

In Belgium today there is overemployment. This means that the people have more than one job. And, is France in a terrible state? Why, today in Paris there are traffic jams, and visitors are amazed at the prosperity there compared to 15 years ago or any other time in the modern history of that nation.

What has happened to the Common Market's adjustment fund? What has happened to all the people who were going to be unemployed; all the businesses that were going to be eliminated? Well, they have never been more prosperous, and the adjustment fund has scarcely been touched.

Let me tell you one other thing. The most significant thing of all about what some have called the miracle of Europe is that this has been done in a free society, under the free enterprise system. My friends over here to my left have always said that they are for free enterprise. I am for free enterprise, also. We all are.

But, as soon as one starts talking about crossing the national frontier, some of my friends to my left and some others are not for free enterprise. They are for Government interference, effective Government interference by the imposition of protective quotas or tariffs. This is Government interference which, given to them in another form, they decry and despise.

But Europe, operating under free enterprise and with the gradual elimination of barriers to the movement of people and the movement of products, has succeeded like no other time in all of our history to demonstrate the merits of unqualified free enterprise at work.

Mr. Chairman, what are the international implications of this? Well, last summer Prime Minister Macmillan made one of the most historic announcements in the entire modern history of the British Empire. He said in effect, although he did not say it in so many words: We British must abandon our traditional policy of standing aloof from the Continent, which has been our policy for well over 300 years, and now we must associate ourselves with and become a full-fledged member of the Common Market. The digestive process of taking in the United Kingdom is one that is bringing about excruciating pain to the British and the Six. But it is happening as surely as we are sitting in the House of Representatives. In the process the Commonwealth system is being upset. The Canadian matter, which the gentleman from Ohio just mentioned is involved in this situation. By the way, the analogy made between Canada and the United States is about as invalid an analogy as one can possibly contrive. Canada enjoys no export surplus and she is suffering a balance problem for reasons other than apply in our case.

But as surely as we are here, the United Kingdom is going into the Common Market. What will that mean? That will mean that a trading area comparable to the United States will exist in Europe; that whereas we have 185 million or, perhaps, 190 million people in our trading area, the new, enlarged market will have approximately 225 million people with the same training, essentially the same demands, and essentially the same kind of people as we are.

What else does it mean? From a military point of view it means a vast new military force will arise on earth. We see signs of this already. General De Gaulle has considerably excited our own administration by wanting to rattle pretty much his own nuclear swords. We have had to spend a lot of time keeping our defense posture a joint enterprise rather than something that is heavily oriented to Europe.

Mr. Chairman, on the other side of the curtain, Mr. Khrushchev has spent the last month condemning the Common Market. Why? Well, I would say, first, his philosophical point of view is smarting. The Common Market defies all of his dogmatic predilections. Mr. Khrushchev really believes—or he did believe—that there would be confusion in Europe, that there would be new trade rivalries, that there would be new unfair competition, resulting in new unemployment and possibly in new wars between these countries. He never envisioned that Germany and France and England could join together as an economic entity after two devastating and vast World Wars, and do it under the free enterprise system.

Mr. Chairman, Europe defies all of the Communist notions. It puts the lie to their insistence that there would be progressive revolution; that communism would conquer the free world without wars; that they would take over these countries one by one as they collapsed; that Europe would go under, and then the undeveloped countries would follow, and ultimately the United States would collapse. Well, he faces a dogmatic dilemma, the like of which few persons committed to a dogma have ever faced in the recorded history of mankind.

With reference to the more immediate and more practical question, he has even a greater problem.

The competition that he is getting, and will get, from this Common Market entity is something he never dreamed of. This is why he has been traveling to Rumania; this is why he has had scores of meetings going on for the past several weeks; this is why practically every pronouncement he has made in the last several weeks has been against the Common Market. He is saying that the terms for negotiation over Berlin have eased. He wants to establish, if he possibly can, some contact between the East and the West to prevent from happening what is happening and what has happened.

Where does this leave us and why is this legislation necessary and what is the connection between this legislation and what I have been talking about? There is one way Khrushchev could win even now. The United States of America, having contributed to the natural inclination of so many wise men in Europe to join together, now has one of two choices. Either we move ahead together, cooperating, or Mr. Khrushchev divides us. And if he divides us, he will not have accomplished a division comparable to that of say Germany versus France. He will have accomplished a division comparable to a nation as strong as the United States, against the United States of America. These are the stakes involved in this legislation, purely and simply; and do not make any mistake about it.

Now, he might be able to do this because there are so many difficult problems involved here. When Mr. Macmillan, Prime Minister of Great Britain, said: "We will subject British industry to the cold shower of competition from the Continent," he meant exactly what he was saying. It will be a cold shower of competition and the immediate effect will be a hard effect. The problems incident to other areas of the world are difficult problems, not easy problems. The problem of how Japan will react is a difficult problem; and I think every man and woman in this Chamber wants a strong Japan standing with us against Communist China. There is the problem of what happens to our Latin American friends. The fact, that in the original Treaty of Rome, the former African colonies of the Six are given preferential treatment in the European market which discriminates against those people who produce the same things to the countries south of us, creates a problem.

There are problems involving the British Commonwealth—Canada, Australia, New Zealand, Nigeria, to mention a few.

We also will have internal problems. Europe is not a second-rate competitor. I agree with the gentleman from Illinois that these are real competitors. We are talking about people who operate automated plants, who have the advantage of the same technology that we have, and who in some instances have plants more modern than our own. These producers are able to compete in markets all over the earth.

But as they are not second-rate competitors, neither are we. Our record shows we can compete and we do compete. We are competitive here at home and abroad.

Last year, for instance, our total exports were $20 billion. Of that amount almost $4 billion went to the six Common Market countries. Of that amount, $1,200 million came from our farms and $2,800 million came from our factories. As a matter of fact, it came from machinery, chemicals, aircraft, vegetables, textiles, wood and paper products, and metal manufactures, to mention just a few. It came from the tobacco farms in North Carolina, the cotton farms in Misisissippi, the manufacturing enterprises in Ohio and Illinois, and from every State in the Union. It moved through our ports in New York, Philadelphia, Baltimore, New Orleans, and San Francisco. Exports accounted for approximately 30 percent of the tobacco produced in this country, 50 percent of the cotton, the soybeans, and the grain. Over all, we exported $3 billion more than we imported. This means that in the whole gamut of items in our payments account—exports, imports, foreign aid, military installations abroad, tourism, and investment abroad, our greatest plus was the $3 billion excess in exports. Every dollar of those exports that may be cut out means a further minus dollar in our balance of payments.

I mentioned the military issue here. I mentioned what would happen if Russia succeeds in driving a wedge between the Common Market and us, and the terrible implications thereof. From an economic point of view, the implications are equally grave.

Let me turn now to the bill and what it would do to assist us in meeting the needs of the times and help us in accommodating our trade policies to new conditions in the world.

This bill takes the same principle that President McKinley enunciated back in 1890 and Cordell Hull enunciated in 1934, and Presidents Roosevelt, Truman, and Eisenhower enunciated through the 1940's and the 1950's, and states, that for the sixties, we must have a weapon, an instrument to permit us to operate for the benefit of the United States of America. Not for somebody else's benefit, but for our own. The bill, therefore continues the principle of reciprocity, not free trade, reciprocity. We will exchange concessions with foreign governments with the mutual benefits flowing from such an exchange. We buttress that principle because for the first time we wrote into this bill, and this was a committee amendment, a clear provision which calls on the President to move, in appropriate circumstances, against nations who discriminate against us and who refuse to live up to reciprocal commitments. This is the first time we have enunciated this provision so clearly. If the motion of the gentleman from Illinois should prevail, then this clear statement of policy would not be in the law.

Mr. LINDSAY. Mr. Chairman, will the gentleman yield?

Mr. BOGGS. I yield to the gentleman from New York.

Mr. LINDSAY. I would like to commend the gentleman on a very fine statement. However, I can recall when the gentleman took the floor during the tax bill debate and argued for the international aspects of that bill, which had definite isolationist leanings and made it virtually impossible for U.S. business to compete and expand abroad. How can the gentleman reconcile those two statements?

Mr. BOGGS. Well, the gentleman in the first place has come to a conclusion which is anything but valid. As the gentleman well knows, I have worked here for many years not only to permit, but to expand the use of private capital in investment abroad. I am frank to say that the instrument that we passed is not a perfect instrument (I hope it will be perfected in the other body and in conference). What we were trying to get at, and I want the gentleman to understand this very well—is not the legitimate American business operating in Brazil, or in Argentina, or in Europe. We want to get at the one who is actuated by tax dodging considerations—the tax haven man.

Well, the gentleman shakes his head. But I happen to be on the Committee on Ways and Means and the gentleman is not. We have spent much time on that subject.

Now, Mr. Chairman, to go ahead with my remarks on the bill. All this bill does is to continue the firmly established policy of reciprocity. It says, where the Common Market countries and the United States account for more than 80 percent of the exports a given category of commodities, then over a 5-year period—not precipitously—but gradually over a 5-year period the President of the United States may reduce the tariffs on such articles altogether, but only in a reciprocal agreement with the EEC. Other authorities are also given—all to be used in trade agreements in which we will receive concessions, too.

But there are all kinds of safeguards provided.

Let me give you an example. Under our bill in order to sustain a finding of the Tariff Commission for increased tariffs, which we retain in toto, when the President does not approve such a finding, all that is necessary is a simple majority vote in the House of Representatives and the Senate. Under the so-called Mason substitute, there would be required a two-thirds vote of both Houses to carry out a finding of the Tariff Commission.

In addition to that we have adopted a trade adjustment program. I firmly believe that our experience on trade adjustment will be comparable in every sense of the word to the Common Market experience. The impact of this bill on us will be as nothing compared to the impact on the separate economies of the nations of Europe by the Treaty of Rome.

As I pointed out to you, the Common Market trade adjustment program has scarcely been used. So this is in the form of an insurance policy and it is

based on a very sound fundamental principle: That in the pursuit of a national objective, we shall give assistance to the businessman who is hurt and give assistance to the workingman who is hurt. There is nothing new or radical about this. When we call a lad and say: You must go to serve your country in the Army or the Navy or the Air Force, we also say to him: Son, when you come back home, your job will be waiting for you. We assure him of reemployment rights. If he is hurt, we put him in a veterans' hospital.

Throughout the entire history of the United States, we have consistently recognized the fact that in the pursuit of an overall national policy, we have made adjustments for those who are injured thereby—whether it be injury to firms or to workers. That is all this bill does—nothing else. In most instances, it will use existing machinery which has already been established by law.

Now, finally, just one other thing. Who is for this bill? And who is against it?

On the other side of the aisle to my left, former Secretary of State Herter is for it.

Former President Eisenhower is for it.

Former President Hoover is for it—I think he recently made a statement to that effect and I note that my chairman indicates that he did.

The 1960 presidential candidate—Richard Nixon, is for it. So, too, is Governor Landon, another former candidate on the Republican side.

The U.S. Chamber of Commerce is for it.

The AFL–CIO is for it.

The United Steelworkers of America are for it.

The American Farm Bureau is for it.

I could go on at great length with the list of the people and organizations which endorse this bill.

The people who raise and sell tobacco are for it. The people who represent cotton are for it. Most of the manufacturers are for it.

Now let us consider Mr. MASON's substitute. Mr. MASON—God bless him, I love Mr. MASON; he is a very honorable and frank man—has never been for it. I do not agree with everything he says, but he is an outstanding Member of this body. He got up here and honestly said: I am against this program. This is the best way to wreck it. He has voted against its extension every time. As he said, there was never a time since he came here in 1937, that he voted for it. So he is interested in killing the program and a vote for his motion will be a vote against the program. It will kill it.

Mr. FEIGHAN. Mr. Chairman, will the gentleman yield?

Mr. BOGGS. I yield to the gentleman from Ohio.

Mr. FEIGHAN. I would just like to know whether this bill authorizes or encourages trade or increase in trade with the Soviet Union or any of the Communist satellites.

Mr. BOGGS. I will answer the gentleman's question.

Mr. FEIGHAN. If the gentleman will yield further——

Mr. BOGGS. I understand the question; I am prepared to answer.

Mr. FEIGHAN. I want to ask why you are stressing the part of the Executive regarding trade with Communist countries.

Mr. BOGGS. If the gentleman from Ohio supports the gentleman from Illinois in his motion to recommit, then the gentleman will be voting to carry on the present law.

Mr. FEIGHAN. If the gentleman will yield, will not the gentleman answer my question?

Mr. BOGGS. If the gentleman will just give me the time I will answer his question. I am telling the gentleman that for the first time the bill writes into law specific prohibitions concerning trade with certain Communist satellites Poland and Yugoslavia to be exact, while continuing the present policy applicable to Russia, and the other Communist nations. The substitute carries on existing law and would restore Poland and Yugoslavia to their present most-favored-nation states. So if the gentleman votes for the substitute he will be voting to be soft on these countries. I hope I have answered the gentleman's question.

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. BOGGS. I yield.

Mr. MILLS. The gentleman is pointing out the difference between the treatment of Communist products under existing law which does not extend to products of Yugoslavia and Poland—they enjoy most-favored-nation treatment. The bill, on the other hand, contains a directive to withdraw most-favored-nation treatment from Communist products, whether they be Russian, Polish, Yugoslav, or what have you. Is this correct?

Mr. BOGGS. Exactly. I will mention one other point and then I shall conclude.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. BOGGS. I shall be glad to.

Mr. GROSS. Does this bill deal with all imports?

Mr. BOGGS. With all imports?

Mr. GROSS. Yes, all imports, including shrimp.

Mr. BOGGS. Everything is covered. As I said, this is a reciprocal trade bill. It is not a free-trade bill. Safeguards are provided for any and all products. Help for an industry suffering injury is provided in the machinery set up in the bill. This is by no means inconsistent with the purpose of the bill.

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. BOGGS. I yield.

Mr. MILLS. The gentleman from Iowa who has complained about the importation of Polish pork products should be happy to learn that this bill will result in much higher rates being applied to such Polish articles.

Mr. BOGGS. As the gentleman knows, I am very fond of the gentleman from Iowa. As a matter of fact, this bill can be tremendously beneficial to people who produce all kinds of things. There will be vast new opportunities open to export goods and increase trade in all markets. There is also in the bill the right on the part of the President to establish quotas or take other action to curtail imports if there should arise an injurious situation.

I would like to turn again to the substitute to be offered by the gentleman from Illinois. The gentleman says it would extend existing law for 1 year. What will that mean? The authority in existing law—now, listen to this, bear this in mind—the authority in existing law has been, for all intents and purposes, exhausted. We granted the Executive power to reduce tariffs up to 20 percent of the 1958 levels. That authority has been completely and totally exhausted, so that an extension for a year, as the gentleman from Illinois himself frankly pointed out just a few minutes ago, would mean nothing.

Just recently you read in the papers that Belgium was instrumental in getting the Common Market to react against action taken by the President to benefit the American carpet and glass manufacturers. Because of the fact that we had exhausted our authority to compensate for these actions on glass and carpets, there was not anything on earth that this Government could do to forestall the reaction of the Common Market.

So I say to you in all candor that the gentleman from Illinois is quite honest, just as is the gentleman from Ohio [Mr. BROWN].

They have never supported this program. They did not support it under the Democrats, they did not support it under the Republicans. They do not believe in it. They have every right to their belief. When you vote for the proposition to be offered by the gentleman from Illinois, if you vote the way he does, you will express the fact that you do not believe in it. The thing he offers does absolutely nothing except kill the whole program. The shell of a program would continue but that is all—there would be no substance at all.

On the other side of the coin, if you will look at the kind of world we are living in you will see a world which has great opportunities; a world that for the first time sees the Communist Empire shaken to its very fundations; a world which sees the people of Communist China rebelling on account of lack of food, a world which sees Russia floundering, being overcome militarily, economically, politically, and ideologically. This bill will let us live in this kind of world, let us work together with people who have been our friends, let us grasp the opportunities presented, and let us contribute, with our friends, to a stronger world, so that the threat of communism will not blight you or our children.

That is the issue here, Mr. Chairman, and I hope and believe that the committee bill will pass.

Mr. MASON. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, I am not the giant who spoke a moment ago, although when I want to I can exert my voice to occupy

this Chamber just about as well as the gentleman who preceded me.

First I want to say I am in full agreement with 80 percent at least of what the gentleman discussed, because he discussed the world picture, he discussed things that affect the world picture, he discussed our tariffs as they affect the world picture. But he said very little about how our tariffs affect us. Analyze what he said, and you will find out he said very little about what our reciprocal trade agreements have done to us in the past 26 or 27 years.

I want to limit my time to saying something about what our reciprocal trade agreements program has done to us here in the United States, and I want to cite facts as to what has happened to us under our reciprocal trade agreements program. And, I am interested in what it has done to us.

By the way, I want to say this, that what I am going to give you now is mainly what I prepared for a magazine article. Nation's Business carried my ideas of the reciprocal trade agreements program and carried the ideas of the gentleman from Louisiana, and all I am going to do is to repeat a good deal of what I said in that magazine article, because I think it is a perfect answer.

Mr. Chairman, the four reasons given for the enactment of the reciprocal trade agreements program in 1934 were that it would, first, advance world peace; second, make for world prosperity; third, bring about amity among nations; and fourth, remove world trade barriers.

Has it accomplished any one of these four objectives?

First. Has world peace been advanced? During the 27 years the act has been on the books we have had World War II. We have had the Korean war. We have had the so-called Spanish civil war. We have had 14 years of war in Indochina. We have had trouble between England and Egypt, between India and Pakistan. We have had Communist Russia extending her Iron Curtain until she now has control and domination over 900 million people instead of the 300 million people of the Soviet Union before the close of World War II. Can anyone truthfully say world peace has been advanced?

Second. What about world prosperity, the second objective? Are we any nearer world prosperity today than we were in 1934 when the program was instituted?

To try to bring about world prosperity we have given away more than $140 billion in the past 20 years—$60 billion lend-lease during the war and $80 billion since—to say nothing of the $350 billion we have spent for national defense in the cold war.

Certainly our prosperity has not been advanced. We are more than $290 billion in debt today, which is more than all the other nations of the world put together owe—and more than twice as much as all the nations of Europe put together owe.

Third. What about the third objective? Is good will or amity among the nations any nearer today than it was before 1934?

Let us be specific: Has the relationship between India and Pakistan improved since 1934? Between Palestine and Arabia? Between Italy and Yugoslavia? Between Communist China and Nationalist China? Between the United States and Cuba? What about our relations with Russia? Are they improved?

What about internal dissentions and strife? Italy with her 36-percent Communist vote in the last election; France with a national legislature that is 25 percent Communist? What about England torn between her Socialist Labor Party and her Conservative Party?

Have good will and amity among men been advanced by the Reciprocal Trade Agreements Act? My answer is: Not so anybody can notice it.

Fourth. Have world trade barriers been reduced or removed? Do we have a freer flow of goods today across national borders than we had in 1934?

While world tariff walls have been lowered, other obstacles or barriers more effective than tariffs have been erected in their place—among them import and export licenses, trade preferences, currency manipulations, multiple currencies, quotas, subsidies, State trading, and the European Common Market freezeout.

It is a fact, and we must face it, that, under the Reciprocal Trade Agreements Act, practically every foreign country that has lowered its tariff walls has erected other barriers against U.S. imports, thereby nullifying the effect of their tariff concessions or reductions.

In the face of these facts—can anyone say our 27 years of experience under our so-called Reciprocal Trade Agreements Act has been a success from the standpoint of its effect upon our American economy? Has it been a benefit to American workmen? The answer to both questions is "No."

In addition to the advantages we have given foreign nations under our Reciprocal Trade Agreements Act, during the past 15 years we have poured out to war-torn foreign nations some $75 billion to rebuild their factories; to replace their wornout or war-destroyed machinery with our modern machinery—thus creating competitors for us in both foreign markets and in our own American market.

So, today we face the question: Is the United States being priced out of the world markets? It certainly begins to look that way. One thing is absolutely certain: The United States is facing increased competition in world markets.

Today, for the first time in our history, we have an unfavorable international payments balance. In 1958, our unfavorable world payments balance was $3.4 billion. In 1959, it was $3.7 billion. In 1960, it was $3.9 billion. What it was in 1961 we do not know exactly yet. But we do know that no nation on earth can run a deficit in its international balance of payments of this magnitude very long without going on the rocks.

The Constitution gives Congress, and not the Executive, the authority to set tariffs. Congress should no longer shirk its responsibility. Congress should assume that responsibility and through its arm—the U.S. Tariff Commission—repair the damage done by the misguided policies of the past 27 years.

The exportation of American jobs and industry and the ever-increasing importation of foreign-made goods to be sold on the American market will be one of the campaign issues this fall.

If we continue any longer on the path to economic destruction, more American capital will go overseas, more and more American businessmen will transfer their plants abroad, more and more American workers will be out of work. It is past time to act. We should repeal the Reciprocal Trade Agreements Act and do it now.

Mr. BENNETT of Michigan. Mr. Chairman, will the gentleman yield?

Mr. MASON. I yield.

Mr. BENNETT of Michigan. I want to compliment the gentleman on making a very excellent presentation on this very difficult bill, and to ask him this question: Would it be correct to say that if this bill is passed it will provide additional jobs for people in Europe and provide more unemployment for the people in the United States?

Mr. MASON. In my opinion, that is exactly what the effect of the passage of the bill before us would be.

Mr. BENNETT of Michigan. Can the gentleman tell me if there was any information presented to his committee during the hearings which indicated in what respects, when, and where, and in what industries employment will increase in this country if this legislation is passed?

Mr. MASON. If there was, I did not hear it.

Mr. BENNETT of Michigan. It was not in existence was it?

Mr. MASON. No.

Mr. JOELSON. Mr. Chairman, will the gentleman yield?

Mr. MASON. I yield to the gentleman from New Jersey.

Mr. JOELSON. I am puzzled about why, if the gentleman feels this reciprocal trade program was such a disaster, he is advocating a 1-year extension and renewal of it.

Mr. MASON. Because all the damage that could be done under our present Reciprocal Trade Agreements Act has been done, and no more damage can be done, because they have very little, if any, more trading power.

Mr. ALGER. Mr. Chairman, will the gentleman yield?

Mr. MASON. I yield to the gentleman from Texas.

Mr. ALGER. It should be borne in mind, however, in view of what the gentleman has said, that the 20-percent across-the-board tariff cuts that have just been made last March have not yet gone into effect. Only 10 percent of them will go into effect in July of this year and 10 percent in the second year. So I would like to amend the gentleman's statement to say that if there may well be further damage to industry, and the stock market is falling, the business climate is uncertain, trade damage is still

to come. I hope to develop that a little later this afternoon.

Mr. MASON. Mr. Chairman, I yield 25 minutes to the gentleman from Tennessee [Mr. BAKER].

(Mr. BAKER asked and was given permission to revise and extend his remarks.)

Mr. BAKER. Mr. Chairman, I shall vote for H.R. 11970, the Trade Expansion Act of 1962. The committee bill is a definite improvement over existing law and an even greater improvement over H.R. 9900 as originally introduced and considered by the committee. I shall undertake to point out in these remarks not only the reason for my support of the committee bill but also some of the areas of improvement.

I shall also undertake to point out my conception of the effect of a negative vote; that is, simply a "nay" vote on final passage.

One of the most frequently heard arguments against passage of this bill is that it authorizes the President to reduce duties by 50 percent of the July 1, 1962, level, which is true. However, I would call your attention to the fact that it also authorizes the President to increase duties to 50 percent of the July 1, 1934, level. There are many safeguards for American industry and American workers in H.R. 11970 which are not in existing law and were not in H.R. 9900. I shall refer to some of these safeguards further along in my remarks.

What is the effect of a negative vote on final passage? It is logically argued that such a voted would put a stop to the authority of the President to further lower duties. That is true. However, all of the existing treaties between the United States and the members of GATT would remain in force regardless of the passage of H.R. 11970 and none of the protective safeguards contained in the committee bill would have any application to those treaties.

I do not think this status quo situation is in the national interest. In 1958 the European Economic Community—generally referred to as the Common Market—was an inconclusive experiment, almost a myth. It is now a grim reality. The EEC has achieved a high rate of growth and is moving substantially toward eventual free trade among member nations, around which will be thrown an impenetrable wall of duties, tariffs, quotas, licenses, cartels and various import restrictions.

Our own gross national product has risen substantially less than that of the EEC, and we have developed a dangerous deficit in our balance of payments. In 1961 the United States exported nearly $20 billion worth of goods to foreign markets with a balance of commercial trade in favor of the United States of about $3 billion, the largest single credit factor to our balance of payments. Even Japan in 1961 purchased almost $700 million more goods from us than we purchased from Japan. We can neither bury our heads in the sand nor close our eyes to stark reality. Farm product exports in fiscal 1961 amounted to $5 billion out of total farm marketings of $34 billion.

What are some of these safeguards to American industry and American workers? What are some of the improvements in H.R. 11970 that are not in existing law? I consider the most important one to be the committee amendment which bears my name and of which I am very proud. Section 351 (a)(1) of the committee bill provides that in escape-clause cases, after receiving an affirmative finding of the Tariff Commission, the President may proclaim such increase in or imposition of any duty or import restriction on the article causing or threatening to cause serious injury to such industry as the President determines to be necessary to prevent or remedy serious injury to such industry. The President is not bound by the Tariff Commission's affirmative finding of injury nor by the Commission's finding as to the action necessary to prevent or remedy injury. This is the same as under existing law.

The committee amendment which I sponsored in the Ways and Means Committee, provides that if the President does not within 60 days after the date on which he receives such affirmative finding proclaim that increase in, or imposition of any duty or other import restriction on such article which was found and reported by the Tariff Commission, then the President shall immediately submit a report to the House of Representatives and to the Senate stating why he has not proclaimed such an increase or imposition; and such increase or imposition found and reported by the Tariff Commission shall take effect upon the adoption by both Houses of the Congress by the yeas and nays by the affirmative vote of a majority of the authorized membership of each House of a concurrent resolution stating, in effect, that the House of Representatives and the Senate approve the increase in or imposition of any duty or other import restriction on the article found and reported by the Tariff Commission. The adoption of the concurrent resolution must occur within the 60-day period following the date on which the President submits his report to the House of Representatives and the Senate. If such a concurrent resolution is adopted by both Houses of the Congress, the President is required within 15 days after the adoption of the resolution to proclaim the particular action found and reported to be necessary by the Tariff Commission.

Under existing law the Congress could put into effect a Tariff Commission finding by two-thirds vote of both Houses under the so-called privileged resolution procedure requiring action within 10 days of its introduction, which meant by its very nature that no such action was ever attempted or would ever be put into effect.

Under the amendment which I sponsored, the regular legislative process would be followed of referral of the resolution to the Ways and Means Committee in the House and the Finance Committee in the Senate. It would envision public hearings and executive sessions and expeditious action in both bodies. I sincerely believe that in proven cases, such as the recent lead-zinc proceedings, that the Congress would avail itself of this provision of the law and the very knowledge of this retained constitutional power in the Congress would materially strengthen the hands of our negotiating agents at the bargaining tables in Geneva and Brussels, or wherever the negotiations are to be had.

While on the subject of lead and zinc, which is so important to me because the area in Tennessee which I represent is now the No. 1 zinc producing area in the United States, I obtained incorporation in the committee report, page 24, of language expressing the intent of Congress, which will be of material assistance to the zinc industry and to its thousands of unemployed workers. The language is as follows:

> The term "earlier or later stage of processing" contemplates that the article remains substantially the same during such stages of processing, and is not wholly transformed into a different article. Thus, for example, zinc oxide would be zinc ore in a later stage of processing, since it can be processed directly from zinc ore.

When quotas on the importation of zinc ore were proclaimed by President Eisenhower, foreign zinc producers made an end run around the quotas, as they have done in many other instances, by processing the zinc ore into zinc oxide and shipping it into the United States free from the restrictive provisions of the quota.

The committee bill provides that the Tariff Commission must complete its investigation and make its findings within 120 days of the date of the filing of the application. Under existing law the average time for Tariff Commission determinations has been about a year.

Under existing law there was no legislative directive to the President as to whom he should name to be responsible for the trade negotiations, and no one seemed to know who it was, if anybody. Under H.R. 11970 the President is to appoint a special representative for trade negotiations, subject to confirmation by the Senate, who would be the chief representative of the United States at any negotiations conducted under the bill.

Two Members of the House of Representatives and two Members of the Senate—one from each political party—are to be accredited to the U.S. trade agreement delegations.

Under the committee bill, the most-favored-nation principle will not apply to Poland, Yugoslavia, or Cuba, as long as they are Communist countries or dominated by communism, regardless of whether they are members of international communism. Under existing law the most-favored-nation treatment is applicable to Poland, Yugoslavia, and Cuba, and would likewise have been applicable to these nations under H.R. 9900.

In my opinion, H.R. 11910 improves the peril point procedure over existing law and very substantially over H.R. 9900. H.R. 11910 authorizes the Tariff Commission to recommend a range within which an article or articles may be negotiated without any serious economic effect on the industries producing like

or directly competitive articles. This change to a range from a peril point was recommended by the Tariff Commission. It was impractical to determine a specific point below which tariffs should not be reduced.

H.R. 9900 originally limited the Tariff Commission to the consideration of certain factors. The bill as reported broadens the scope of the Tariff Commission's inquiry. The bill directs the Commission to advise the President with regard to "its judgment as to the probable economic effect." Also, the bill instructs the President to seek the advice of appropriate Government departments and agencies.

Under the present reciprocal trade agreements program, there are three loosely coordinated trade committees established by Executive order. The committee bill authorizes the creation of an interagency trade organization which will make basic policy recommendations, including recommendations concerning relief for injured domestic industries. Most important, the agency will conduct hearings and make recommendations concerning discriminatory foreign import restrictions, enabling any aggrieved party to make a complaint and will offer all interested parties an opportunity to be heard.

I have heretofore mentioned that H.R. 11970 provides for the appointment of a chief negotiator to head all trade negotiations, pinpointing to a single individual the responsibility to lower or raise tariffs and to remove import restrictions.

He will also be an ex officio member of the newly created Interagency Trade Organization.

Under the committee bill, the Tariff Commission, which is an arm of the Congress, is restored to a position of responsibility and dignity.

The provisions of the committee bill relating to agricultural products are far more favorable to American agriculture than either existing law or H.R. 9900.

Another important provision of H.R. 11970 is that the President is instructed to reserve all articles covered by outstanding actions under the national security provisions of existing law, or the new law, and actions under the escape-clause provision of the existing law, or the similar provisions of the new law. These articles would be reserved for 4 years beginning with the enactment of the bill unless the President includes any such article on a proposed negotiation list and the Tariff Commission advises him that the economic conditions in such industry have improved.

H.R. 11970 changes the entire concept of H.R. 9900 by removing all reference to escape-clause procedures and adjustment assistance to industry and workers as "extraordinary relief" which was the portion of H.R. 9900 to which I most strenuously objected throughout the hearings.

It is my considered judgment that H.R. 11970, properly administered, will expand the foreign trade of the United States and accomplish the declared purposes of the bill.

I would like to ask the chairman of the committee a question.

Mr. KARSTEN. The chairman of the Committee on Ways and Means has been called away momentarily.

Mr. BAKER. Would the gentleman from Arkansas comment on the question of whether or not State law might bar some States from entering agreements under the worker assistance provisions of the bill or even bar them from paying unemployment benefits to workers who receive trade adjustment allowances?

Last week I received a letter from the commissioner of unemployment security of Tennessee that adversely affected workers in Tennessee might not be eligible for benefits under this bill.

Mr. KARSTEN. The chairman of the Committee on Ways and Means asked me to advise the gentleman that the chairman has been in touch with your Governor, the Honorable Buford Ellington, and he has received a telegram on this subject, which I will read:

Hon. WILBUR MILLS,
Chairman, Committee on Ways and Means:

Understand that members of your committee have been advised that Tennessee unemployment compensation law prohibits participation of Tennessee in adjustment assistance program for workers proposed in Trade Expansion Act. In view of my interest in the act, I asked our State attorney general to review the question of the State's ability to participate in the adjustment program proposed. The attorney general has advised me that in his opinion Tennessee can participate in that program under its existing law.

Mr. BAKER. I thank the gentleman.

One more question: Is it or not true that under H.R. 11970 we do not legislatively designate or we do not intend to cause the benefits under adjustment assistance to be unemployment compensation?

Mr. KARSTEN. That has been the general history all through the proceedings on this matter in the committee.

Mr. BAKER. Then, any State that had a statute similar to that of Tennessee, relating to duplicate unemployment compensation benefits, would not have difficulty entering an agreement under this bill because this bill is not an unemployment compensation law.

Mr. KARSTEN. That is correct.

Mr. BENNETT of Michigan. Mr. Chairman, will the gentleman yield?

Mr. BAKER. I yield to the gentleman from Michigan.

Mr. BENNETT of Michigan. I would like to say, first of all, that most of us who are not experts on this subject—and I know the gentleman is one of the experts, and I say that in all sincerity, because I know he spent many years studying this very difficult problem—but most of us who are not experts measure prosperity in our country in terms of employment; how many people are employed and how many people are unemployed. Will the gentleman advise me how and in what respect this bill is going to increase employment in the United States, if at all, and in what industries it will do so?

Mr. BAKER. My answer would be twofold. I do not know what I would have done if I had been here in 1934. I doubt if I would have voted for the so-called Hull Trade Agreement Act, although he came from my State, as you know. We have had it since 1934, and we must do the best we can under the present world situation.

Now, to answer your question: We have safeguards in here for workers and industry. Now, to specifically answer your question, it is true that in 1961 we had a favorable commercial trade balance on international trade of $3 billion. I know that is true. Even Japan, that people talk so much about, bought $700 million of goods from us in 1961, more than we bought from her. Now we have this Common Market situation here. Exports of agricultural products last year amounted to $5 billion, and that is almost one-sixth of the entire sales of agricultural products in the United States. Now, to cut that off completely would put people out of work. That is the way I feel about it.

Mr. BENNETT of Michigan. Could I ask another question before you leave that subject? I understood the gentleman's answer with respect to agricultural products. Of course, it is true, is it not, that most of the agricultural products to which you refer were given away under one form or another under our foreign aid program? What I am trying to do, and I ask the gentleman in all sincerity as the ranking minority member of this committee——

Mr. BAKER. Let me give you an illustration.

Mr. BENNETT of Michigan. Where is this bill going to increase employment in this country? I can see where it would increase employment in Europe, but what will it do to us?

Mr. BAKER. I will undertake to answer that with an illustration. I will take the zinc industry with which I am pretty familiar. There are several hundred zinc miners in east Tennessee unemployed simply because the world market of zinc coming into this country is 11.5 cents a pound, and you cannot produce it and market it for less than 12.5 cents a pound.

Now, if the present President's predecessor had put into effect the findings of the Tariff Commission fixing the peril point at 13.5 cents a pound, or even 12.5 cents a pound, and put a commensurate duty or modest duty of about 2 cents a pound on zinc, I am told by people in whom I have complete confidence that about 2,000 zinc miners in east Tennessee would have gone back to work. That is the only way I can answer the gentleman's question.

Mr. BENNETT of Michigan. Has the gentleman from Tennessee [Mr. BAKER], been assured that the present administration will do everything in its power to get people back to work who might be displaced from their jobs?

Mr. BAKER. I have not, and I emphasize that most emphatically. All I say is that I have confidence in the integrity, the judgment and the backbone of this Congress in a case like lead, zinc, glassware, carpets and many others, that we would pass a concurrent resolution, and no President would keep us from doing it. That is the way I feel about it.

Mr. BENNETT of Michigan. Has the President given any assurances that the domestic iron mining industry will get back on its feet, instead of going down?

Mr. BAKER. What is the difference between iron ore and zinc? If the gentleman from Michigan [Mr. BENNETT], made a case on iron ore before the Tariff Commission, and the Tariff Commission finds a certain level exists, we would pass a resolution that goes into effect. I would support the gentleman from Michigan, because I heard the gentleman's very fine testimony befor the committee.

Mr. GUBSER. Mr. Chairman, will the gentleman yield?

Mr. BAKER. I yield to the gentleman from California.

Mr. GUBSER. One of the most basic industries in my district, in fact, most of the United States, is the canning industry. Traditionally, this industry has been very liberal in its trade policy. In fact, I believe the canning industry testified in favor of similar legislation before the Committee on Ways and Means this year provided certain objections which they had could be met. But now they have withdrawn their support of this bill as an industry for the reason that the peril point provisions of the existing law have been, as they say, completely emasculated. Yet the gentleman in his statement has said that the peril point provisions of the present law have been strengthened. I am confused between these two conflicting views. I wish the gentleman would elaborate upon that statement.

Mr. BAKER. My answer is this: It is my considered judgment—and I heard the statement made many time which the gentleman has made—that the peril point provision was emasculated in H.R. 9900. But this particular provision in H.R. 11970 was recommended by the Tariff Commission. The only difference between it and existing law is instead of reaching out to say—and I go back to the illustration of 13.5 cents a pound on zinc, or some part of the industry says it should be 12.5 cents a pound, they would find the range in that industry, say between 12 and 14 cents a pound for the peril point, or between 11.5 cents a pound and 12.5 cents a pound under this agreement. I think it is an improvement.

Mr. GUBSER. If the gentleman will yield further, is this a true statement——

Mr. BAKER. Permit me to answer the gentleman further. The peril point is not the effective weapon. The effective weapon is the escape clause proceeding.

Mr. GUBSER. Is it not true that machinery is set up for establishing the peril point in the prenegotiation period in this bill?

Mr. BAKER. That is right.

Mr. GUBSER. But there is no provision whatsoever for carrying it beyond the prenegotiation period?

Mr. BAKER. Well, yes. When you have an escape clause action, of course, the peril point provisions continue in existing law.

Mr. GUBSER. If the gentleman will yield further, is the gentleman prepared to assure me that once the peril point has been established and if the President should go below that point and damage is done, that there is machinery through which relief could be had for the domestic industry?

Mr. BAKER. There certainly is.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. BAKER. I yield to the gentleman from Massachusetts.

Mr. CONTE. I want to compliment the gentleman from Tennessee for his fine presentation. I would like to clear up some doubts which exist in my own mind. Under the committee bill there is provision for a joint majority resolution of the Congress to override proposed action by the President regarding the escape clause procedure. It is my understanding that under the old law a preferential motion would lie; is that correct?

Mr. BAKER. May I explain that? I get the gentleman's point.

Under existing law put in through an amendment in 1958, there is provision made that in the case the President did not put into effect the Tariff Commission's findings, then a concurrent resolution adopted by two-thirds vote of the House and Senate would put it into effect and require the President to follow it. However, the resolution was a privileged resolution.

It would have to be acted on in 10 days from the time it was introduced. That might just as well not have been in the bill.

Mr. CONTE. Could it not come into the House without first being referred to the Committee on Ways and Means of the House and the Finance Committee of the Senate?

Mr. BAKER. Yes.

Mr. CONTE. This is what bothers me. I think we are weakening our point here, because it would have to be adopted now by the House Ways and Means Committee and the Senate Finance Committee and then it would have to be acted upon by both the House and the Senate.

Mr. BAKER. With all due respect to the gentleman, I have every confidence in the Ways and Means Committee and the Finance Committee.

Mr. CONTE. I have confidence in the House Ways and Means Committee, too; but I would rather see this come directly to the House and to the Senate.

Mr. BAKER. How in the world could the House and Senate act on such a thing as a lead and zinc tariff proposal, that may cover seven or eight hundred pages in such a short period of time? How in the world could the membership know, including the members of the Committee on Ways and Means. It just would not work out.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. BAKER. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Chairman, when the Manpower Training Bill was before the House I asked the question, How many unemployed are there in this country as a result of foreign imports? I was told that that question would be answered when the Trade Agreements Extension Act came before the House. Can the gentleman tell me now how many are unemployed in this country as a result of foreign imports?

Mr. BAKER. I remember what Secretary Hodges testified, but I would prefer that the gentleman ask that question of the Chairman of the committee whenever he has the floor. I can tell the gentleman what I heard in executive session. As I remember Secretary Hodges testified to the effect that the number would probably be 80,000; and I think that it was too low.

Mr. GROSS. Is the gentleman saying that at the present time 80,000 Americans are unemployed by virtue of imports? Is that the gentleman's statement?

Mr. BAKER. That is my understanding of what the Secretary of Commerce said, that under the provisions of this bill it was calculated it might adversely affect 80,000 workers.

Mr. GROSS. Mr. Chairman, I should like to ask the gentleman this question. Is it true that British turbines are being used in the TVA electric power generation system?

Mr. BAKER. I read that in the newspaper; I understood that they were Swiss.

Mr. GROSS. At any rate, foreign-made turbines?

Mr. BAKER. My information is the same as that of the gentleman; I got it from the newspaper.

Mr. GROSS. That does not help employment in this country, does it?

Mr. BAKER. I am not in favor of it; and I am sure the gentleman knows I am not.

Mr. GROSS. If I may ask one other question. Was preferential treatment recently given to increasing tariffs on bicycles imported into this country?

Mr. BAKER. I believe so.

Mr. GROSS. If that is correct, let me ask the gentlemen, Are bicycles made in the Tennessee-Arkansas area?

Mr. BAKER. No; they are not made in my area. I think they are made in middle Tennessee.

Mr. KARSTEN. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. KING].

(Mr. KING of California asked and was given permission to revise and extend his remarks.)

Mr. KING of California. Mr. Chairman, in recent weeks Soviet bloc criticism of the Common Market has increased to an unprecedented level. Moreover, for the first time, it has become a major theme in the utterances of top Soviet spokesmen. Khrushchev's May 30 speech at a Soviet-Mali friendship meeting was particularly pointed and was given unusually wide dissemination by Soviet media, being repeated at least in part in more than 200 separate radio broadcasts.

Khrushchev also lashed out at the Common Market at the opening of the Italian Trade Fair in Moscow on May 29 and at a reception for the Italian Trade Minister on June 7. At the World Federation of Trade Unions executive committee meeting in Budapest on May 31, Soviet Trade Union Head V. V. Grishin devoted a major section of his

speech to the Common Market and called for a concerted drive by all progressive forces in Europe to organize united all-national fronts to oppose the expansion and strengthening of the European Economic Community.

Since late May, the Soviet press and radio have been conducting a concerted campaign to vilify the European Economic Community. During the period May 14 to May 20, Radio Moscow broadcasts on the Common Market rose from 19 to 74 items—from less than 1 percent to about 3 percent of all broadcasts. In addition to the wide coverage of Khrushchev's speech, 66 other European Economic Community items were broadcast between May 28 and June 3. For the most part, the attacks have followed familiar lines; for example, the role of the European Economic Community in strengthening NATO, the subordination of smaller nations to larger ones, and the exploitation of farmers and workers by international monopoly capital. However, the emphasis has been especially strong on the so-called neocolonial function of the European Economic Community and on signs of difference among Western states.

I refer to these instances of Soviet concern with the reality of the Common Market solely to illustrate the point already made—the European Economic Community is a force to be reckoned with and it would behoove all of us here today to recognize this fact. Unless we orient our trade policies in the direction of accommodating our trading patterns to those of the Common Market; unless we realize the urgent need for developing a far-reaching trade program which meets the challenges of the Common Market and opens the way to grasping the opportunities which are interrelated with these challenges; unless we adopt a sensible policy and refrain from accepting the views of those who would have us ape the ostrich and bury our heads in the sand while history passes us by; then we stand to be the real losers and will suffer immeasurably. The Soviet reaction to the miracle of Europe demonstrates their concern and proves, to some extent, the point I make—we too should be equally concerned though for different reasons.

Let me continue with this documentary of Soviet reaction to the Common Market—incidentally, it pleases me to be able to label them as reactionaries.

An increasing number of bloc broadcasts have played upon the theme of imperialist contradictions within the Common Market. Bloc commentators have by no means been consistent in their appraisal of the "struggle for power" in Europe. They have generally referred to a French-German alliance in opposition to British entry supported by the United States; however, they have also mentioned French-German rivalry and United States-Germany collusion. The United States, they claim, is promoting United Kingdom candidacy in order to weaken French and German competition with U.S. capital. On the other hand, bloc commentators also assert that the U.S. purpose is to strengthen the Common Market as a whole in opposition to the Communist bloc. In short, the general picture painted is one of vicious imperialist struggle for control of an organization which poses an increasing political-military threat to world peace.

Radio Moscow's recent broadcasts to Africa have stressed that any form of accommodation with the Common Market will result in loss of political and economic independence. A broadcast in Hausa beamed to West Africa on May 24 charged that association with the Common Market would mean that African states would automatically become members of NATO. It noted that President Nkrumah had exposed the European Economic Community and urged an African common market which would "keep the wealth of African States in Africa and promote economic freedom." Soviet commentaries have also stressed the difficulties which Commonwealth members would experience as a result of British entry.

Soviet propaganda has continued to oppose enlargement of the Common Market, concentrating its attention on the United Kingdom and the Scandinavian countries. Broadcasts to the United Kingdom have stressed the disadvantages resulting from disruption of the Commonwealth and increased exposure to continental and U.S. competition. They have also alleged that U.S. pressure on Britain to join is based on a desire to weaken Britain's competitive position vis-a-vis the United States. Several broadcasts have charged that France has been demanding atomic secrets from Britain as the price for British entry.

Propaganda directed toward the Scandinavian countries has followed the same general lines, arguing that the inferior competitive position of Scandinavian industry would be swallowed up in a Common Market dominated by West Germany. The Soviets have also held out attractive prospects for increased bloc trade. In an interview published by the Danish Communist newspaper Land of Folk in mid-May, Soviet Trade Minister Patolichev strongly urged the Danish Government to resist joining the Common Market and added that the U.S.S.R. was in a position to increase its purchases of Danish exports, including agricultural products.

An article in New Times on May 1 alleged that there was wide public antipathy in Norway to membership in the Common Market. Among the groups cited as opposed to entry were the Norwegian Communist Party, Socialist People's Party, Center Party, the left wing of the Social Democratic Party, and some members of the Christian-Popular and Venstre Parties.

On May 30 Tass reported that Secretary Boris Ponomarev of the Communist Party of the Soviet Union had left for Denmark to attend the 21st Congress of the Danish Communist Party. Ponomarev is in charge of Communist Party of the Soviet Union relations with foreign Communist Parties. Although his speech to the congress on June 2 did not mention the Common Market by name, it called for expanded trade ties with the Soviet bloc. It is likely that Ponomarev held talks with Danish Communist Party leaders on tactics to impede Danish entry into the European Economic Community. The Danish party, in the past, has been one of the most outspoken of the European Communist Parties in its opposition to the European Economic Community and it has called for a nationwide referendum on the question of Danish entry.

Radio Moscow broadcasts have also continued to warn Austria against entry into the European Economic Community, and a recent commentary in Portuguese cautioned Portugal against associating with a German-dominated Common Market. Moscow has even included the anti-Common Market theme in its English-language broadcasts to North America. Among the arguments put forward in recent weeks to support the line that strengthening of the European Economic Community is not in the best interests of the United States was the allegation that fluctuations in the stock market resulted from concern by U.S. industry over growing competition of the Common Market.

At a Mali-Soviet friendship meeting on May 30, Khrushchev delivered the most vigorous attack on the Common Market yet made by a major Soviet leader. In contrast to his earlier comments directed toward the European Economic Community tariffs and discrimination against bloc trade, Khrushchev's May 30 speech was devoted almost exclusively to the effects of the Common Market on less-developed countries. He argued that the West was using the Common Market to promote "neocolonialist" policies in Africa, Asia, and Latin America, and then went on to outline broadly the Soviet response. He announced that the U.S.S.R. favored "an international conference on trade problems to discuss the question of founding an international trade organization, embracing all regions and countries of the world, without any discrimination." He also reiterated the Soviet desire to conclude bilateral long-term agreements with African countries to create a stable market for their exports and assist them in developing the industrial sector of their economies.

In pressing for a world trade conference, the U.S.S.R. is clearly hoping to exploit the apprehension of the less-developed states over the repercussion of the Common Market. Moscow hopes to make negotiations over Common Market problems more difficult and at the same time increase its own prestige as a defender of the interests of less-developed countries.

The U.S.S.R. is both ideologically and politically opposed to European economic integration; however, the ability of the Soviet Union to respond meaningfully is sharply limited. Marxist-Leninist ideology insists that organizations such as the Common Market must ultimately fail and thus work to the net advantage of the Communist world. Nevertheless, Soviet leaders are undoubtedly haunted by the spector of Common Market success—an event which would vitiate the assumptions

of long-range Soviet strategy and gradually undercut the economic and political position of the U.S.S.R. in all non-Communist areas of the world.

Mr. Chairman, I include in the RECORD at this point a series of excerpts from Communist periodicals and writings which buttress the main theme I have developed concerning Soviet reaction to the European Common Market:

SOME RECENT SOVIET STATEMENTS ON THE COMMON MARKET

1. Interview of Soviet Trade Minister Patolichev in Danish Communist Party newspaper Land og Folk (as summarized by Tass, May 15, 1962):

"If the question arises of increasing purchase of Danish goods by the Soviet Union, we could greatly increase them within the next few years, including purchases of farm products, and could also place big orders for ships and industrial equipment. For this it is naturally necessary that Denmark increase its purchases of Soviet commodities and create conditions for importing Soviet goods no less advantageous than the conditions existing in Denmark for the import of goods from other countries, Britain in particular.

"It is difficult to imagine that the Common Market countries or, for instance, Britain, should stop trading with Denmark if it remained outside the Common Market. Indeed, for those countries trade with Denmark is no less profitable than for Denmark itself. I believe that if the Danish Government took a firm position in refusing to join the Common Market, proceeding from its national interests, the Common Market countries would have to reckon with this."

2. Article by Soviet Acadamician A. Arzumanyan in Pravda, May 23, 1962 (extracts):

"British ruling circles, having suffered a failure in their attempts to oppose to the continental Six a group of seven small states on the pehiphery of the Common Market, have raised the question of joining EEC. Their example has been followed by Denmark, Ireland, and Norway. The process of the disintegration of the Seven has begun and is in full swing. The small countries of Western Europe are faced with the threat of being swallowed up by the Common Market, among them the neutrals, which the imperialist powers thus want to involve in the orbit of aggressive military blocs. Attempts are being made to integrate and bind to the imperialist chariot some African States—former colonies of the European powers, liberated or on the road to liberation from the colonial yoke.

"U.S. ruling circles, which formerly played the role of behind-the-scenes producer of Western European integration, but formally stood aside, are also gradually beginning to change their tactics. Encountering competition from little Europe in the markets, primarily from the German Federal Republic, they are seeking organizational forms of direct cooperation with the Common Market by means of mutual reductions in customs tariffs. The program of the formation of an Atlantic economic community, put forward by President Kennedy, gives a new scale and new features to imperialist integration.

"President Kennedy stated that he regarded the Atlantic economic union as a reply of the free world to the Communist challenge. But he omitted in silence the fact that this union at the same time aims to prevent the newly liberated peoples from achieving economic independence and to put on them new chains of colonial exploitation.

"Ruling circles of the United States and the Common Market countries figure that economic integration will enable the imperialist camp to attain a higher rate of economic growth. However, calculations that the Common Market is able to solve economic and political problems of contemporary capitalism are built on sand. * * * It is not so much the Common Market which has accelerated the growth of the West European economy as, on the contrary, the phase of industrial animation and upsurge which lay at the basis of the widely advertised achievements of the Common Market.

"Hoping to soften the Common Market contradictions, its organizers facilitate the intensification of tension between East and West. It is not by accident that almost every step on the path of 'integration' has coincided with moments of sharp exacerbation of the international situation, and the periods of comparative relaxation and reduction of tension coincided with the eruptions of contradictions in the Common Market. Thus the Common Market is aimed primarily against the peaceful forces of socialism and is very hostile to the cause of consolidating peace and security in Europe and the whole world."

3. Khrushchev remarks at opening of Italian Trade Fair, May 28, 1962:

"I repeat that trade is the main thing today. It is clear to everyone that attempts to isolate the Soviet Union and the other Socialist states commercially in this way or that have fallen through.

"The enemies of developing relations with the Socialist countries are exerting efforts to set up the so-called Common Market of European countries and other exclusive economic alliances. Not only economic but political goals are pursued in the process. The Soviet Union has existed for almost 45 years now. All sorts of measures were taken during these years to retard our development, but their organizers have always suffered a fiasco. The same will happen with this European community."

4. Khrushchev speech at Soviet-Mali friendship meeting, May 30, 1962:

"An international economic relationship of a new type is coming into being, free from the dictate of the monopolies. The vital interests of the peoples of Asia, Africa, and Latin America demand a basic change for the better in the system of international trade. The need to get rid of methods by which the powerful gorge themselves in trade with the weak is long due in international trade. Such vicious conditions form the essence of the policy of the Common Market in relation to the young national states. The Soviet Government considers that the United Nations cannot stand aside on this question, which is vitally important for hundreds of millions of people. It considers it expedient to call an international conference on trade problems to discuss the question of founding an international trade organization, embracing all regions and countries of the world, without any discrimination.

"The calling of such a conference would doubtlessly be supported by many countries who are against the policy of knocking together exclusive economic groupings of the Western powers. The calling of such a conference is one of the ways in which the economically underdeveloped countries could defend their interests and oppose the international alliance of capitalist monopolies.

"The Soviet Union is conducting a consistent struggle in favor of international trade relations being developed on the basis of equality, on a mutually profitable basis. The Soviet Union is willing to conclude long-term trade agreements with African countries. These agreements will widely open our country for goods produced in the African countries and will create a permanent and stable market for them. At the same time, the African countries will be able to acquire, on the basis of mutually acceptable conditions, the industrial goods which are necessary for building up their economy, developing their national industry, and strengthening economic independence.

"We are convinced that it is possible, through joint efforts of the Socialist states and the freedom-loving independent countries of Africa, Asia, and Latin America, to administer a deserved rebuff to the plans of collective colonialism, which the imperialists are trying to carry out with the help of the aggressive Common Market policy.

"Certain states and leaders of young African countries see the sum of the credits obtained or, as one says today, the amount of aid as the criterion of the attitude of these states toward them. But, this does not reflect the true attitude of the state which gives. There is aid, and aid. It is one thing when Socialist countries give aid, according to their means, to young, independent, states. Perhaps it is quantitatively smaller than that promised by others, but it is disinterested aid. It aims at strengthening state independence; it contributes to the friendly peoples firmly standing on their feet and building their life as they want it."

5. Speech by Soviet Trade Union head, V. V. Grishin, at WFTU exceutive committee in Budapest, May 31, 1962:

"In recent years we have witnessed the establishment of the so-called Union of Six and Union of Seven in Europe, of the Alliance for Progress in America, and of other supernational imperialist formations which bode all kinds of ill and privations for the working people. Monopolist capital has singled out the so-called EEC, Common Market, which includes six industrially well-developed imperialist countries in West Europe, for a special role. According to the press, negotiations are now underway for new states—England, Denmark, and Norway—to enter the Common Market, and for Austria, Switzerland, Sweden, and also Spain and Turkey to be associated with it in various ways.

"As soon as several new European states enter the Common Market the economic bloc of capital states will be able to expand still further as support of the military NATO bloc. This will lead to a further division of the world into blocs and to violations of the present economic relations. It will also most disastrously affect the situation of the working people not only in European countries but also in the countries in Africa and other continents. Even the bourgeois press prophesies that retail prices, taxes, and unemployment in these countries will increase and the living standards of the working people deteriorate.

"Monopolistic propaganda sings praise of the Common Market. It tries to prove that the main aim of the Common Market, ruled by the monopolies of West Germany, is to insure worldwide economic development. However, the real aim of the Common Market is political and military: To subordinate European countries to the interests of the great powers, make the capitalist economy serve the aggressive NATO bloc, master economic difficulties to the detriment of the working people, and make it easy to increase their exploitation. The Common Market is a kind of a holy alliance of imperialists which is to serve their joint struggle for superprofits and the enslavement of the peoples, and against social progress.

"In their race for maximum profits, the monopolies of the Union of Six dictate a policy of exorbitant and colonialist prices for the countries of Africa. A representative of the Central African Republic declared in 1961 that in recent years the prices of goods imported to Africa had increased 42 percent, although prices of African agricultural products had increased merely 11 percent. True, the countries of the Common Market make much ado about the help; which will be allegedly accorded to young African States if they associate. It is quite clear to everybody, however, that such help will be tied up with

new conditions of bondage and that the novel colonizers will elicit enormous riches from Africa.

"With the creation of the Common Market the process of the concentration of monopolist capital in West European countries has intensified. International cartels are growing, agreements on the division of markets are being concluded, and large-scale joint undertakings organized. At the same time, small and medium enterprises are being shut down since they are not able to stand the competition. U.S. monopoly penetration into West Europe is increasing. On the other hand, the Common Market has become a dangerous rival of the United States. This has led to a further aggravation of discrepancies between the imperialist powers.

"The struggle waged by the monopolies for a redivision of the world capitalist market has entered a new phase. To increase the competitive ability of their production by decreasing production costs, the capitalists—with the help of the bourgeois state—are carving out a rationalization of the industry and endeavoring to cut expenditures for wages and social needs of the working people. The situation in the countries of the Common Market very convincingly testifies that the development of contemporary capitalism is accompanied by increasing discrepancies and antagonisms within capitalist society and by an intensification of the class struggle.

"In recent years one can observe in certain West European countries a temporary improvement of the economy. A certain growth of production forces is explained by the bourgeois propaganda as a result of the existence of the Common Market. The monopolist bourgeoisie and its agents in the workers movement—the rightist leaders of the trade unions—try to convince the working people that all crucial economic problems can be solved by the development of such economic cooperation. In the period of improved economic conditions, the monopolies use part of their gains to bribe the cream of the workers class. This helps spread illusions of a reformation among the unstable workers and weakens the struggle for the defense of their vital interests. This is only temporary, however. The crises of capitalism are sure to follow in quick succession. The association of capitalist monopolies cannot but aggravate the situation anew and lead to new attacks of capitalism on the vital interests of the working people.

"In this respect, the situation in West Germany is most typical. As is well known, a certain improvement of the economic situation can be observed there in recent years. The West German bourgeois propaganda has clamored about an economic wonder and has sung praises of capitalism. It was seconded by the leaders of the German Trade Union Association. More recently, in connection with the growth of military expenditures and the beginning of a decrease in economic activity the monopolies have once more intensified their attack on the working people. Prices in West Germany are steadily rising, tax pressure is steadily increasing, work has intensified, and coal production and other industrial production have decreased. The workers have responded to this by a more active struggle against the monopolies. The recent strike of the Saar miners is an example of this.

"Other West European countries are feeling the influence of the Common Market and the pressure of West German monopolies still more. The miners must endure the most hardships, however. In accordance with a decision of the leading organs of the EEC, the Belgian Government has pledged to take measures to improve the situation in the coal industry, which means to restrict coal extraction. The pretext for closing the mines is that they are allegedly unprofitable. At the same time, Belgium is obliged to import 1.5 million tons of anthracite from West Germany annually. De Gaulle's government has undertaken similar obligations. France plans to curtail coal extraction in 1975 to 45 million tons of coal annually, while consumption will amount to 90 million tons by that time. The difference will also be brought from the German Federal Republic.

"The reorganization of enterprises and the rationalization of work has resulted everywhere in an increased exploitation of the workers. Work intensity has increased, and the rhythm of work has accelerated. All workers' demands for wage increases are being rejected under the pretext that prices must be kept at a level that can be competitive on the international market. Actually, wages have been blocked everywhere.

"The progressive trade unions and the working masses are intensifying their struggle against the Common Market, which is contrary to the interests of the worker class. The heroic struggle of the Decazeville miners has become part of the history of the workers' peace movement; they have opposed the intention of their government to close down the mines. A powerful people's movement is spreading in Belgium, where the ruling circles intend to bankrupt a whole economic area—Walloon Province. It is also very significant that the movement of the working people in England, Norway, and Austria against entering the Common Market is steadily growing.

"This struggle is acquiring an international character because, as is well known, the Common Market concerns at present not merely the interests of the working people of its member countries, but also the working people of the whole world. The united front of monopolies must be met by a united all-national front. Progressive trade unions must increase their struggle against state-monopolist associations, particularly against the Common Market, and resolutely unmask it as a plot of a handful of monopolies against the vital interests of the masses in capitalist countries, as a weapon of the imperialists against the working people and against nations which have emancipated themselves from colonial slavery."

6. Khrushchev remarks at reception for Italian Trade Minister, June 7, 1962:

"This is a marriage against nature, and even if it is registered by law, nature will see that it is broken. Because in this marriage, if I can say so, there are not two sexes, the male and the female sex. There are only two males. [Reference is to the fact that EEC states are all industrial states; goes on to argue that trade should be between industrialized states and raw material exporters.]

"Doctors say that old people sleep badly. But I sleep well, about 8½ hours a night. And this shows just how I react to the Common Market."

ABSTRACT

The recent increase in attention paid to the Common Market by bloc spokesmen and propaganda media betrays great concern over its prospective adverse impact on bloc interests and suggests that the U.S.S.R. is searching with increased urgency for an effective means of counteracting the challenge of the EEC. Rising bloc criticism reached a climax in a sharp attack on the EEC by Khrushchev during a speech at a Soviet-Mali friendship meeting on May 30, and the issue was the focal point of the June 6–7 CEMA conference in Moscow.

Khrushchev's call for an international trade conference reiterates a longstanding Soviet proposal. If the conference is held, the U.S.S.R. would seek to champion the cause of all those who are apprehensive about the repercussions of the Common Market and attempt to tar the EEC with the "neocolonialist" brush. The U.S.S.R. may also encourage the formation of regional groupings among less developed countries as a counter to association with the EEC.

Within the European Communist movement the Soviets are already urging formation of antimonopolist fronts to agitate against EEC expansion. In addition, new proposals have been put forward in the bloc for increased economic cooperation in an effort to match within CEMA the economic dynamism that is apparent within the EEC.

Mr. FEIGHAN. Mr. Chairman, will the gentleman yield?

Mr. KING of California. I yield to the gentleman from Ohio.

Mr. FEIGHAN. Is it not one of the purposes of this bill and the intent of this bill, which I hope will be accomplished, to increase the economic power of the free world and at the same time to deny benefits to the Communist bloc, as provided in section 231, and would it not over the long run weaken the economic trade potential of the Communist bloc?

Mr. KING of California. The gentleman is correct.

(Mr. JOHNSON of Maryland asked and was given permission to extend his remarks at this point in the RECORD).

Mr. JOHNSON of Maryland. Mr. Chairman, I rise today to express my apprehension lest a portion of the revised trade bill have a disastrous effect on the tuna industry.

The United States comprises the largest market for canned tuna in the world. Smaller but growing markets for canned tuna are being developed in several Western European countries. Tuna is caught by citizens from many nations and we can indeed state raw tuna has become a world commodity.

Raw tuna at the present time may be imported into this Nation duty and quota free. I believe that this is fitting and proper since our Nation's tuna fleet cannot begin to produce the tuna requirements of the United States. Major U.S. canners of tuna must augment their domestic catches with imported raw tuna to provide a continuous supply for American consumers.

From my study I note that imported canned tuna in oil is dutiable at 35 percent ad valorem while imported canned tuna in brine is dutiable at 12½ percent ad valorem with an annual quota amounting to 20 percent of the prior year's U.S. canned tuna production. Any canned tuna in brine imported in excess of the 20 percent quota in a single year is dutiable at 25 percent ad valorem.

It is interesting to note the prices at which canned tuna in brine are imported into the United States and sold to consumers here are considerably lower than similar canned tuna products produced in our country.

Mr. Speaker, any reduction in duty on canned tuna or modification or elimination of the quota would certainly stimulate importation of canned tuna into this country probably at even lower prices than those presently prevailing.

The elimination of the duty on canned tuna would enable the foreign canner to pay more on the world market for his raw product thus placing him in a preferred position as compared to our canners competing for the same raw prod-

uct. I believe that the combined result would ultimately drive all tuna canning away from our Nation and affect the livelihood of American fishermen and American labor.

Additionally H.R. 11970 provides for the elimination of all duties which are the equivalent of 5 percent or less ad valorem. Elimination of duty on partially prepared forms of tuna would greatly encourage their importation into the United States resulting in the loss of by far the greater share of labor engaged in the processing of canned tuna.

Recently the Bumble Bee Seafoods, Inc. of Astoria, Oreg., opened a beautiful canning plant in Cambridge, Md. As a depressed area, the city of Cambridge and Dorchester County were delighted to obtain this excellent facility. It would be disastrous now, after all our labors to obtain this splendid industry, to lose it because this legislation may lack a strong peril point and escape clause and section 202 perhaps prove detrimental to our best interests.

Mr. UTT. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] Sixty-three Members are present, not a quorum. The Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 132]

Addonizio	Fogarty	Monagan
Alford	Gonzalez	Morrison
Anfuso	Gubser	Moulder
Arends	Hall	O'Hara, Ill.
Auchincloss	Hansen	Pillion
Barrett	Herlong	Powell
Bass, Tenn.	Hoffman, Mich.	Riley
Blitch	Horan	Santangelo
Boland	Jones, Mo.	Saund
Brewster	Kearns	Scherer
Buckley	Kilburn	Shelley
Celler	Kowalski	Shipley
Coad	Libonati	Smith, Miss.
Cooley	Lindsay	Spence
Curtis, Mass.	McMillan	Steed
Davis, Tenn.	McSween	Stratton
Dawson	McVey	Stubblefield
Diggs	Macdonald	Thompson, La.
Dwyer	Miller, George P.	Weaver
Flood		Willis

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. BOLLING, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H.R. 11970, and finding itself without a quorum, he had directed the roll to be called, when 374 Members responded to their names, a quorum, and he submitted herewith the names of the absentees to be spread upon the Journal.

The Committee resumed its sitting.

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield 35 minutes to the gentleman from Texas [Mr. ALGER].

(Mr. ALGER asked and was given permission to revise and extend his remarks.)

Mr. ALGER. Mr. Chairman, I have been present for all that has transpired today. I intend to give as clear a presentation as I can of the trade bill. I have brought with me documentation on this bill. While there is much I may not know, I intend to draw heavily from what I heard in the committee hearings and from our committee work. I would prefer not to yield until I have completed my statement, because I intend to cover much too much.

Mr. Chairman, I, of course, can be accused, as can the gentleman from Illinois, of having opposed the reciprocal trade bill, but for a very, very basic reason which I think bears restatement before we go into this bill.

The reciprocal trade bill, my colleagues, is not reciprocal. Comparative studies of our trade policies and those of foreign nations clearly establish this.

The bill, H.R. 11970, is an improvement over H.R. 9900. The Byrnes amendment, as we knew it, to strike the adjustment assistance provision would have been an improvement further, of course, by removing the crutch that our negotiators would be tempted to use, knowing that if they made some mistakes it would be all right because the adjustment assistance would make up for it.

Mr. Chairman, five of us on the committee in the report expressing our views have gone farther than our colleagues. We are endeavoring to benefit from the experience of many witnesses pro and con who testified before our committee.

The report which, I am sure, many of you have read is as well rounded a presentation for your study, whatever your ultimate position may be on this question, as any I have seen in the number of years that I have been in the Congress.

I refer not only to the separate minority views but the statement of the gentleman from Missouri [Mr. CURTIS], the gentleman from New York [Mr. DEROUNIAN], and the position of reservation of the gentleman from Florida [Mr. HERLONG] and the gentleman from Virginia [Mr. HARRISON].

I listened attentively earlier to the kickoff speech this afternoon. My basic criticism of that presentation is that it had little, if any relationship to the bill. As to the platitudes, I think most of us will agree with them, I shall do my level best to relate what I have to say to the bill itself.

I have documentation here which I intend to use, and right now I want to assure my colleagues, if time does not permit now, and if I say something a colleague may think is wrong, come to me at the minority table—I will be at the table and will not leave the floor. If I can answer any question, I will have the documentation there of what I am going to say now.

As to the background—all of us favor freer trade, let us not kid ourselves because that has been the trend since the beginning of the history of this country and has helped us economically since the time of the Pilgrims. We believe in freer trade, but this bill is not freer trade and is not fairer trade, as I shall try to show. Secondly, we do not like to be propagandized and I am going to demonstrate this point, too, with the facts. I think also it is clear that this is nonpolitical and shame on the man who takes this floor and tries to make it political. For my part at least, I intend to speak just on the basis of the facts as I understand them, how, when somebody says, as our colleague did earlier, "Who is for the bill?" you can answer, "Some unions are for it"—and some unions are against it. Some business is for it, some business is against it. It is a question of whose ox is gored and whether you are an importer or an exporter or somewhere inbetween.

Now as to the facts and the fictions. I intend to explore, if I can, some of the fictions and I have some documentation here that I would like to present as I go on.

I have a letter on White House stationery from Mr. O'Brien. I also have a letter from Secretary Hodges and I also have here two pamphlets put out by the State Department, distributed by the millions, no doubt, throughout the world.

One is called "Together We Are Growing Strong," meaning by trade. Another is entitled "The A B C's of Foreign Trade."

I quote the identical language from both bills, page 9 in the former, page 14 in the latter: This has to do with autos and imports.

> Without foreign trade, new cars would soon be impossible to find because the automobile industry depends on at least 31 imported materials, from all over the world:
>
> Jamaica, bauxite; Philippines, coconut oil; Malaya, rubber; India, mica; Pakistan, jute; Kuwait, petroleum; Canada, nickel; United Kingdom, antimony.
>
> Norway, columbium; Belgium, industrial diamonds; Spain, mercury; Switzerland, platinum; Yugoslavia, bismuth; Portugal, cork; Italy, fluorspar.
>
> Mexico, cadmium; Haiti, sisal; Venezuela, iron ore; Brazil, beeswax; Peru, zinc; Bolivia, tungsten; Chile, copper ore; Argentina, wool; Ghana, manganese; Nigeria, zirconium.
>
> Congo, cobalt; Rhodesia and Nyasaland, chrome ore; South Africa, asbestos; Malagasy Republic, graphite; Indonesia, tin; Australia, lead.

I asked Under Secretary Ball, of the State Department, what he thought of this. He said, "I do not know what is in those pamphlets."

I asked Secretary Udall, and he said, "Well, that is stretching the truth."

Gentlemen, this kind of material is propaganda. It is misleading and it is false. The same statement was made, if you please, in a letter to me from Secretary Hodges when he made the same statement found in these pamphlets. Also he made this statement "Our dependence on many of these materials from abroad is growing."

You bet our dependence is growing, and if our dependence on foreign products keeps on growing and the submarines operate like they did in the last war, and God forbid that we ever have a war, then this country will be at the mercy of the enemy.

I present this to you in no less serious vein than that. I do not intend to take time in speaking platitudes. But we must have facts, not fiction. We do not need oil from Kuwait for our autos or for any other reason. We must not falsify or propagandize. We must think and talk straight. Nor should we become dependent on others, particularly in oil, the only product ruled necessary for national security. Now, I want to call to your attention this report from the President,

the fifth annual report of the President of the United States on the trade agreements program, August 1961, when he told us that we were doing great—we had jumped in 1959 from $1.1 billion to $4.9 billion surplus in the next year. Those were given as the last recorded figures. After this glowing report, 4 months later, the President said to us—our President—here is what he said, "On June 30, 1962 when the last extension of the Trade Agreements Act expires, it must be replaced by a whole new instrument." Mind you, he just boasted of our having quadrupled our surplus position in a year.

If that contradiction is not enough to confuse you enough, my colleagues, let us pass on to the fact that this approximate $5 billion export trade surplus was not that at all, when you take out those factors which cannot under any circumstances be called trade, such things as nonconvertible currency, subsidized exports, charitable contributions, foreign aid, and U.S. industry abroad purchases from within United States. When those are taken out it cuts the surplus from about $5 billion to $1.387 billion. Again this is misrepresentation. It is fiction, not fact to call it surplus. I think this is wrong. Here is an analysis of the myth of our $5 billion export trade surplus:

THE MYTH OF OUR $5 BILLION EXPORT TRADE SURPLUS

The Congress and the American public are being asked to believe that the United States sells approximately $5 billion more in exports than it pays for imports. The mildest characterization of this claim is to call it a myth.

By endless repetition of Government officials and propagandists, the alleged $5 billion export trade surplus is being urged as one of the principal bases for the delegation by the Congress to the President of power to eliminate entirely duties on some commodities and to reduce duties on some other commodities up to 50 percent. If true, the claimed favorable export trade balance would not justify the proposition. The purpose of this paper is, however, merely to establish the misstatements of fact on which the proposition rests.

There can be no validity in a conclusion based on misstatement of fact. When errors of fact are revealed, the proposition which rests on them must be rejected.

The representations concerning the claimed $5 billion export trade surplus have been made in innumerable news stories, articles, pamphlets, radio and TV broadcasts and otherwise, and stem principally from such representations as the following:

The President in his speech to the AFL–CIO December 7, 1961, said:

"We sell abroad now nearly $5 billion more than we import, but unfortunately that $5 billion goes abroad in order to maintain the national security requirements of the United States."

Secretary of State Dean Rusk in a speech to the United Church Women on October 11, 1961, said:

"Last year we sold to other countries almost $20 billion worth of American goods while our purchases from abroad were in the order of $15 billion."

The Department of State Publication 7321, Commercial Policy Series 183, released in January, 1962, states:

"In 1960, the United States sold about $20 billion worth of commodities abroad."

Note the emphasis on what "we sell," the comparison in Dean Rusk's statement between what "we sold" and "our purchases," and the State Department's claim that our "sales" abroad amounted to $20 billion.

The fact is that we do not sell exports amounting to $5 billion more than what we pay for imports. We do not receive $20 billion for the American goods we export, although we undoubtedly pay $15 billion for the foreign goods we import.

These figures, which are used to support the argument for unprecedented grant of power to reduce duties even at the expense of injury to some domestic industries and communities, are made up by stating the dollar value of all goods which we export as if we received dollars in payment for all such goods.

We export the goods—we just don't get the dollars.

The Congress and the public are being misled to believe that the figures cited by Government propagandists relate to commercial transactions in international trade.

The total of $5 billion of "export sales" over import purchases is attained only by the fantastic, fictitious and deceitful method of counting gifts as "sales."

The claimed dollar surplus of exports over imports (stated by the Treasury Department in June 1961 as amounting to $4.7 billion) has been described by Senator ROBERT S. KERR, of Oklahoma, as "a fictitious figure." In response to a question propounded by Senator HARRY F. BYRD of Virginia at a hearing of the Committee on Finance of the U.S. Senate,[1] "You mean you included value of all the wheat and everything we send abroad, for which we get nothing," Assistant Secretary of the Treasury A. Gilmore Flues answered, "That is included, sir."

Senator BYRD characterized the Government's method of including in the dollar value of exports the value of merchandise for which the United States does not receive dollars in the following statement: "I think it is very deceitful to do this, to publish figures on a dollar basis when we don't receive any dollars."

Although Government statistical reports on exports, imports, foreign aid, subsidized "sales," and other pertinent factors are not specifically designed to reveal the facts which rebut the myth of the $5 billion export trade surplus, the true facts can be gleaned from such statistics and the result is so startling that, even allowing for a margin of error, the basic fact remains, namely, that in the terms of international trade, in commercial transactions, we have not approached a $5 billion export trade surplus.

The following simple table on exports and imports for 1960 shows the facts:

[In billions of dollars]

We exported merchandise valued at	19.409
We paid for imports from abroad	14.722
Thus, we shipped abroad merchandise which, in value, exceeds our payments for imports by	4.687
No dollars were received for the following exports:	
Nonagricultural products valued at (shipped on U.S. grants or foreign aid credits, U.S. suppliers being paid from U.S. Government funds)	.5
Agricultural products valued at[1] (U.S. Government paid U.S. suppliers. Foreign nations gave credits in their currencies to be used as grants or loans for projects in the foreign nation)	1.2

Footnote at end of table.

[1] Hearings on H.R. 6611, Senate Finance Committee, June 22–23, 1961, pp. 34, 35.

No dollars were received, etc.—Con.

[In billions of dollars]

Agricultural products given for famine and emergency relief valued at (U.S. Government paid domestic suppliers)	.2
The total value of merchandise exported for which the United States received no hard cash	1.9
Of the merchandise which we shipped abroad exceeding in value our payments for imports, the amount for which the United States received dollars was	2.787
Some exports for which the United States received dollars were not strictly commercial transactions such as the sale of cotton at prices below cost and $42.50 per bale below the price of domestic mills. Some other sales were on credit, "loans," or, in effect, Government subsidy. These "sales" are estimated at	1.4
Thus, on commercial transactions in international trade, the favorable export trade balance was only slightly less than 30 percent of the mythical $5 billion export trade surplus	1.387

[1] The goods bartered by the United States for strategic raw materials have been excluded from the exports for which no dollars were received. These exports are valued at $118 million.

Sources: "Statistical Abstract of the United States, 1961," p. 865; U.S. Department of Agriculture, Economic Research Service, Rept. No. 84, June 1961; Survey of Current Business, December 1961, p. 16.

The effect of our so-called sales for credits in foreign currency may be illustrated with the following example, which demonstrates the administration's error in using the word "sell" when the right word is "give."

Upon agreement between our Government and Yugoslavia, 500,000 metric tons of American wheat are to be shipped to Yugoslavia. This wheat is valued at approximately $25 million and will so appear in Government figures showing the dollar value of our exports. The American suppliers of this wheat will be paid in dollars by the U.S. Government. The Yugoslavia Government will make payment in dinars (Yugoslavia currency of uncertain value), by crediting the purchase price to the United States with permission to the United States to apply 10 percent to the expenses of our Government in Yugoslavia. The other 90 percent will be given back to Yugoslavia as a gift or as a loan which may or may not be repaid and on terms which practically amount to a gift.

These funds are called counterpart funds, that is funds in foreign currency derived from the "sale" of U.S. exports, in this case agricultural products, to be expended only in the foreign nation. Press accounts indicate that the United States has offered to approve the expenditure of some counterpart funds derived from the "sale" of agricultural products for research projects to advance common knowledge in the social welfare and maternal-child welfare fields, including the study of methods of treating children, ways of improving health services, medical care for the aged, juvenile delinquency, credit cooperatives, etc., in Yugoslavia, Poland, and elsewhere, with possible inclusion of India.

It is obvious that in dealing with Yugoslavia, India, Poland and other foreign nations, the United States does not need to reduce duties on imports in order to induce

these nations to continue to accept gifts of exports from the United States.

This country does not have a problem on its favorable balance of trade (considering trade in its usual sense as applying to commercial transactions). This country does have an unfavorable balance of payments. The United States simply pays out by gifts, etc. more than it receives in international dealings. The only practical correction of the problem of unfavorable balance of payments is available to the United States at any time. The correction is to reduce our payments, not our duties.

The foregoing solution is, however, too simple, practical and immediate to appeal to the advisers, the economists and others, particularly in the State Department, who have been guiding and will continue to guide our international trade negotiations. It cannot be expected that the President in the exercise of the vast powers conferred upon his office, including the additional powers sought by impending legislation, can examine into the details of the merit of every proposed transfer of goods from the dutiable list to the free list or drastic reductions in the rates of duty. It must be expected that, if the proposed power over tariffs is delegated by the Congress to the President, he will have to depend upon economists and other advisers, the same ones or their colleagues who have created a myth of our $5 billion surplus in international trade.

Then when you get into foreign aid—of course I shall only mention it at this point for we cannot take time to go into it thoroughly.

As for foreign aid, we give others the money for them to buy from us. Think of it—they buy from us with money we give them. And that is included in our export figures; as our strong sales and export position.

As for the balance of payments, Mr. Chairman, it has been said various Government witnesses have placed the blame on our trade program, implying that trade policy can change our balance-of-payments position.

Secretary Hodges said:

The United States enjoys a substantial surplus in its merchandise trade with the rest of the world. In 1961 our merchandise exports exceeded our merchandise imports by about $5 billion. This surplus is essential to the national security of the United States because it helps us pay for our military and economic aid and other national commitments abroad. These commitments, of course, are designed to help assure security of the free world and to assist the less-developed nations to achieve higher standards of living and to develop their markets.

However, the United States has been experiencing a deficit in its international accounts. Settlement of this deficit has led to an outflow of U.S. gold and dollars. To alleviate this outflow, it is vital that we increase our exports. Thereby, we will further increase our trade surplus and help to pay for our international commitments without the necessity of settling in gold.

Earlier, October 4, 1960, President Kennedy said this about the balance-of-payments crisis:

The balance-of-payments crisis which some cite as justification for a revolution in our trade agreements machinery and authority is the product not of our trading experience on merchandise, but of two entirely unrelated factors: the continuing large expenditures by the United States for foreign military assistance and economic aid; and the action of foreign countries in placing the dollars received from the United States in their ever-growing reserves rather than spending those dollars for additional goods and services from the United States.

Now, the President wants a new trade policy to correct our balance of payments, even though he has earlier correctly stated it is not the fault of our trade. Of course, it is not—it is not trade policy at fault. We are giving our wealth away.

These are but a few of the things that support my conviction that our trade policy and this bill are devoid of all the rules of commonsense, as I know them.

How about the tariff levels? I made the statement before the Rules Committee that we were the fifth lowest tariff nation in the world, Denmark, Sweden, Switzerland, and West Germany being lower than us. Now we will be the lowest when the recent GATT agreements go into effect. True, we will have little bargaining power left after that 20-percent cut. Many of the industries to be affected by this latest cut do not know how their securities will be selling on the stock exchange later this year, I am sure. Now do we know what impact these cuts will have. We have reduced our tariffs from 75 to 80 percent since 1934. We have dropped from an average 12 percent to 10 percent in tariffs.

Our export figures have changed in this fashion: from 5.1 billion in 1934 to $20 billion in 1960.

Our import figures have changed in this way: From $6 billion in 1934 to 14.6 billion in 1960.

Our dutiable imports have doubled 1960 $4.8 billion to $8.9 billion, 1951 to 1960. The tariffs, as we call them, therefore are not a trade barrier at all.

That brings us to the restrictive trade barriers. On this matter I have here many pages, almost volumes this thick of the quantitative restrictions against the United States shipping goods into foreign countries, the very nations we are now being asked to give more concessions to, yet they are raising higher and more restrictive barriers against us. They are violating GATT by imposing quotas. Also they are not lowering their tariffs. As a matter of fact they have refused, for balance-of-payments reasons to make the agreed upon cuts. There are many embargo and quantitative restrictions, licensing agreements, tax regulations, and so forth against U.S. imports into many countries. I refer you to pages 163, 481 of the hearings and page 1891, which is the joint economic statement on quantitative restrictions, also page 2013 in the hearings, and also 2289—the Teamsters' remarks.

The lack of reciprocity is why I have been opposed to the reciprocal trade bills before. We are now being sold a bill of goods. We are told that because others have refused to lower their tariffs, we must lower ours further. We are not accepting that kind of thinking in Texas.

As to the high labor content of this bill, I shall cover that later.

I want to talk for a minute or two about Texas, yet these thoughts are related to every single State of the Union. I have a study here contrary to most of the information presented us by labor leaders and others who said, "We are going to gain jobs by this trade bill," and I shall at this point in the RECORD insert the figures on the industries in Texas and in the United States that have been losing jobs hand over fist at the same time there have been unfavorable balances of trade on such products as meat products, candy, beverages, textiles, wearing apparel, lumber, wood, sawmills, footwear, and others. There is quite a list of them that I shall put in the RECORD for the information of the Members of the House. These same figures relate to the United States as a whole:

TEXAS

SUMMARY OF DATA

The analysis of official Government data shows that industries supplying about 23 percent of manufacturing employment in Texas have suffered a decline in employment, in the State and the Nation, while experiencing sharply adverse trends in the balance of foreign trade in their products.

Texas workers lost 6,142 jobs in these industries, 1954 to 1958 (1960 data by State are not yet available from the 1960 Annual Survey of Manufactures of the Bureau of Census). Nationally, employment in these industries dropped 216,741 (1954 to 1960).

While these employment changes were occurring, the U.S. balance of trade in the products of these industries worsened by $2,210,313,000 (1954 to 1960). This resulted from an increase of $2,009,198,000 in imports, while exports declined $201,115,000 (1954 to 1960).

SIGNIFICANCE OF THE DATA

The analysis is not presented to prove that the poor employment performance of these industries was due wholly, or even in major part, to the rise in imports and the relative or actual decline in exports. The change in data on value added by manufacturing for some industries, for example, suggests that some part of the employment loss may have been due to automation and increased productivity.

These data do show, however, that a large part of the manufacturing industries of Texas is characterized by stagnant or declining employment under the pressure of factors which include a definitely adverse shift in foreign trade balances. The loss of exports represents lost production, and increasing imports obviously fill market needs which, therefore, were not met out of domestic production. To this extent these imports retarded production and adversely affected employment.

HOW THE ANALYSIS BEARS ON THE MERITS OF THE TRADE BILL, H.R. 11970

In view of the adverse employment trends of such a large part of the manufacturing activity of the State and in the affected industries nationally, and the inability of existing tariffs to check the large increases in imports in the products of these industries, further reductions, or eliminations, of duty can only cause further loss of employment in these industries, in the State and the Nation.

The authority in H.R. 11970 can therefore be used detrimentally to the employment needs of the State, and the Nation as a whole. The bill authorizes the complete elimination of duties on most industrial products (and a 50 percent cut in duties on all products) without any safeguards to insure that industries such as those shown on the attached analysis will be spared.

SOURCE

The accompanying report is part of a State-by-State analysis prepared through the use of machine records techniques by Surveys & Research Corp., Washington, D.C.,

for the Man-Made Fiber Producers Association, Inc. The recent publication of a series of reports by the U.S. Department of Commerce, Bureau of Census, noted more fully on the facing page of the analysis, has made possible the correlation of employment trends with shifts in foreign trade in the products of manufacturing industries, which is the basis of the accompanying report.

TEXAS—INDUSTRIES WITH EMPLOYMENT LOSSES, STATE OR NATIONAL, AND WORSENING EXPORT/IMPORT BALANCES, 1954–60

NOTES 1.—Industries selected are all those for which data were available in the Sources which, in addition to showing a worsened balance of trade in 1960 as compared with 1954, also experienced a decline in employment in the State for 1958 as compared with 1954 and/or a decline in employment in the entire United States for 1960 as compared with 1954. Comparable State employment data for 1960 are not available.

NOTE 2.—"D" appearing on tabulation sheets following annual data for each industry group indicates difference between first and last figures in the columns.

Sources: Department of Commerce, Bureau of the Census: 1958 Census of Manufactures, General Summary Subject Report MC58(1) and Area Reports MC58(3); 1960 Annual Survey of Manufactures, general statistics for industry groups and selected industries MC60(AS)–1; U.S. Commodity Exports as Related to Output, 1958; U.S. Commodity Exports and Imports as Related to Output, 1958; U.S. Exports of Domestic and Foreign Merchandise, Report FT 410, and U.S. Imports of Merchandise for Consumption, Report FT 110, 1954, 1958, 1960.

Methodology note:

Because of the revision of the standard industrial classification system, employment and value added data for both 1958 and 1954 were taken from the 1958 Census of Manufactures. This decreased to some extend the industries eligible for inclusion in these comparisons because a number of three- and four-digit industries are shown in the 1958 census with no historically comparable figures. Particularly at the State level, data for individual industries may not be disclosed because of the confidentiality rule thus making it impossible to apply to 1954 census data the "bridge" tabulations showing the correlation between the old standard industrial classification and the new.

Adjusted value added data are shown for 1958; for 1954, figures for the United States as a whole represent adjusted value added and those for each State, unadjusted value added. Unadjusted value added is obtained by subtracting the cost of materials, supplies and containers, fuel, purchased electric energy, and contract work from the value of shipments for products manufactured plus receipts for services rendered. Adjusted value added also takes into account (a) value added by merchandising operations (that is, the difference between the sales value and cost of merchandise sold without further manufacture, processing, or assembly), plus (b) the net change in finished goods and work-in-process inventories between the beginning and end of the year. The latter is a more comprehensive measure of the net production of goods and services by establishments defined as primarily manufacturing.

For 1960, employment data have been obtained from the 1960 Annual Survey of Manufactures which is based on reports from about 60,000 manufacturing establishments selected out of a total of almost 300,000. This sample includes all large manufacturing establishments, which account for approximately two-thirds of all manufacturing employment, and, in varying proportions, the more numerous medium- and small-sized establishments. The estimates obtained vary from the totals that would have resulted from a complete canvass but, for most industries, the relative magnitude of the sampling variation is no greater than 1 percent.

For all years, export and import data have been compiled on the basis of a classification system developed by the Bureau of the Census which related the import (schedule A) and export (schedule B) commodity codes to the 1957 Standard Industrial Classification. Because each of these commodity classifications has been created independently and to serve a different purpose, a number of variances occur when an attempt is made to compare individual industries. For this reason, the relationships shown for a number of three-digit industries and even for some of the two-digit industries should be considered as approximations rather than precise comparisons of exports and imports with output and employment. Nevertheless, these estimates are sufficiently valid to make accurate comparisons between years since the method of tabulating the data has been consistent for all years included.

Texas

	Employment		Value added		Foreign trade		
	State	United States	State	United States	Exports	Imports	Balance
201 Meat products:			*Thousands*	*Thousands*	*Thousands*	*Thousands*	
1954	14,981	311,366	$92,996	$1,938,307	$204,557	$232,129	$27,572—
1958	15,202	311,748	100,763	2,499,233	194,022	389,349	195,327—
1960		306,867		2,663,375	271,188	394,208	123,020—
Decrease	221	4,499—	7,767	725,068	66,631	162,079	95,448—
207 Candy and related products:							
1954	1,469	80,425	8,726	609,853	45,634	40,622	5,012
1958	1,687	80,010	12,045	749,066	24,759	43,850	19,091—
1960		78,729		832,243	35,169	51,615	16,446—
Decrease	218	1,696—	3,319	222,390	10,465—	10,993	21,458—
208 Beverages:							
1954	8,545	213,387	78,232	2,468,333	38,584	163,086	124,502—
1958	9,126	206,197	101,915	2,835,661	40,238	234,677	194,439—
1960		211,193		3,197,914	38,804	284,994	246,190—
Decrease	581	2,194—	23,683	729,581	220	121,908	121,688—
220 Textile mill products:							
1954	8,636	1,027,802	33,754	4,605,985	378,007	353,712	24,295
1958	7,275	901,677	33,587	4,857,638	327,421	440,249	112,828—
1960		901,530		5,613,457	326,558	627,131	300,573—
Decrease	1,361—	126,272—	167—	1,007,472	51,449—	273,419	324,868—
238 Miscellaneous apparel:							
1954	1,422	64,333	4,589	268,847	1,319	21,894	20,575—
1958	1,343	60,026	5,462	306,277	1,141	30,920	29,779—
1960		65,433		320,566	1,159	41,490	40,331—
Decrease	79—	1,100	873	51,719	160—	19,596	19,756—
240 Lumber and wood products:							
1954	20,739	645,936	76,368	3,241,606	107,836	400,614	292,778—
1958	17,159	581,302	78,571	3,176,613	134,090	440,255	306,165—
1960		595,969		3,457,555	179,693	530,125	350,432—
Decrease	3,580—	49,967—	2,203	215,949	71,857	129,511	57,654—
242 Sawmills and planing mills:							
1954	11,260	341,350	38,168	1,610,410	66,683	281,502	214,819—
1958	8,596	278,003	32,462	1,341,127	77,306	289,771	212,465—
1960		280,999		1,495,703	105,786	341,081	235,295—
Decrease	2,664—	60,351—	5,706—	114,707—	39,103	59,579	20,476—
290 Petroleum and coal products:							
1954	40,926	183,339	465,985	2,240,876	614,505	284,638	329,867
1958	42,945	179,166	592,723	2,518,424	536,388	686,168	149,780—
1960		168,334		3,201,312	476,059	648,682	172,623—
Decrease	2,019	15,005—	126,738	960,436—	138,446—	364,044	502,490—

Texas—Continued

	Employment		Value added		Foreign trade		
	State	United States	State	United States	Exports	Imports	Balance
314 Footwear, except rubber:			*Thousands*	*Thousands*	*Thousands*	*Thousands*	
1954	2,607	230,255	$6,988	$988,379	$14,559	$10,354	$4,205
1958	2,216	226,831	7,641	1,145,916	13,434	32,697	19,263—
1960		227,688		1,221,132	9,399	53,069	43,670—
Decrease	391—	2,567—	653	232,753	5,160—	42,715	47,875—
317 Purses and small leather goods:							
1954	157	37,547	537	163,747	2,675	4,976	2,301—
1958	141	35,610	686	187,287	3,776	8,273	4,497—
1960		38,521		208,741	5,398	12,030	6,632—
Decrease	16—	974	149	44,994	2,723	7,054	4,331—
324 Cement, hydraulic:							
1954	2,602	39,769	44,966	525,667	6,577	1,760	4,817
1958	2,689	41,127	62,100	724,771	2,975	9,682	6,707—
1960		38,762		740,903	1,134	10,307	9,173—
Decrease	87	1,007—	17,134	215,236	5,443—	8,547	13,990—
371 Motor vehicles and equipment:							
1954	6,610	685,273	65,877	6,137,653	1,224,634	52,326	1,172,308
1958	6,004	577,188	84,935	6,750,675	1,249,310	535,138	714,172
1960		694,542		10,119,055	1,240,625	597,456	643,169
Decrease	606—	9,269	19,058	3,981,402	15,991	545,130	529,139—
390 Miscellaneous manufacturing:							
1954	9,620	614,644	45,600	3,909,238	546,076	320,258	225,818
1958	5,978	571,434	65,929	4,754,260	395,332	261,280	134,052
1960		588,174		5,273,331	396,225	694,229	298,004—
Decrease	3,642—	26,470—	20,329	1,364,093	149,851—	373,971	523,822—
391 Jewelry and silverware:							
1954	310	47,930	652	302,058	11,946	93,455	81,509—
1958	461	41,867	2,884	323,316	19,338	109,022	89,684—
1960		42,349		373,644	29,464	127,302	97,838—
Decrease	151	5,581—	2,232	71,586	17,518	33,847	16,329—
Total, above industries:							
1954	115,550	3,866,274	917,093	25,946,365	3,167,729	1,871,039	1,296,690
1958	109,408	3,509,885	1,138,030	29,172,618	2,905,676	3,071,568	165,892—
1960		3,649,533		35,419,711	2,966,614	3,880,237	913,623—
Decrease	6,142—	216,741—	220,937	9,473,346	201,115—	2,009,198	2,210,313—
All industries, total:							
1954	410,364	15,645,491	3,501,706	117,032,326	12,160,193	5,546,961	6,613,232
1958	466,404	15,393,766	5,045,159	141,270,297	14,128,001	7,725,919	6,402,082
1960		16,124,061		163,230,807	15,753,320	9,912,611	5,840,709
Decrease	56,040	478,570	1,543,453	46,198,481	3,593,127	4,365,650	772,523—

This is a political bill. It is not economics. I hold, on the contrary, that the finest politics this country could practice as a nation would be sound economics rather than the other way around. Good politics is not necessarily good economics. It is the economic side of our Nation we are talking about. If our economy fails, this Nation, and the entire free world would crumble.

We had many witnesses before the committee who said they were for the bill. But we found out they were not. When some of my colleagues say certain people are for the bill, I can point out many who said, "We are for the principles of the bill," but when they went through the various provisions of the bill it turned out they were against the bill.

Mr. Chairman, I want to talk a little bit about the bill. We have not heard much about the legislation itself from those who thus far have presented the administration's bill. This will be a 5-year bill, not 1, 2, 3, or 4 years coupled with great transfer of this power.

Second, in reference to the list of products with lesss than 5 percent tariff rate. I have them here. Quite a list. In this bill tariffs less than 5 percent can be wiped out. For instance, lumber of all types, fish and fish products, fruits, meat, poultry products, minerals and ores, metals—and there is a long list:

CATEGORIES OF ITEMS SUBJECT TO ELIMINATION OF DUTY UNDER SECTION 202

Lumber of all types, rough or sawed.

Fish and products, fresh or frozen, filleted, and prepared or preserved in any manner.

Fruits.

Meat and poultry products.

Minerals and ores, such as feldspar, clays and earths, mica, lead, zinc, residual oil, amorphous graphite, aluminum hydroxide, gypsum, sandstone, limestone, crude silica, cement, calcined bauxite.

Metals, such as babbitt metal and solder, sponge iron, cast iron castings, pig iron, iron and steel rails, antimony, nuts and washers, nickel in pigs, structural steel, nails and spikes, iron and steel sheets and shapes, lead alloys, zinc sheets, wire rods, bar iron, chains, bolts, malleable iron plates.

These are but a few of the products on which the tariff can be wiped out entirely.

Second. As you know, in the bill it is provided that if the trade of the United States, totaled with the trade of the Common Market and other nations at any given date, comprises 80 percent of the aggregated world export value of any product, then the President can wipe out the tariffs entirely. No matter what the tariff is, and no matter what percentage of that trade is ours, the tariffs can be wiped out. It means, as other nations join the new economic bloc, called the European Common Market, others will control the lowering of our tariffs without control on our part. That is what this bill permits.

CATEGORIES OF ITEMS SUBJECT TO ELIMINATION OF DUTY UNDER SECTION 211 [1]

Organic chemicals.

Other industrial chemicals, including insecticides.

Plastics, resins, and starches.

Pigments and paints.

Perfumery, cosmetics, and soaps.

Rubber articles, natural and synthetic.

Glass products.

Leather manufactures.

Power generating machinery.

Farm machinery.

Office machinery.

Industrial machinery.

Electrical machinery.

Motor vehicles.

Railway vehicles.

Nonmotorized wheeled equipment, including bicycles.

Photographic and cinematographic supplies.

Musical instruments.

Record-playing equipment.

Confectionery and sugar.

Margarine and shortenings.

[1] This is only a partial list, as the bill permits the President to define the categories, and select the "representative period" in which exports of the United States and the Common Market countries (including potential new members like the United Kingdom, Greece, Denmark, Norway, and Ireland) account for 80 percent of the value of world trade in such categories.

Nonalcoholic beverages.
Tobacco manufactures.
Coal, coke, and briquets.

The tariffs on agricultural products may be removed also. The following are some of the foodstuffs involved. It may be seen that many are not raw foodstuffs at all, although only such are supposedly covered by the bill:

CATEGORIES OF ITEMS SUBJECT TO ELIMINATION OF DUTY UNDER SECTION 212

Sugar.
Molasses and sugar sirups.
Unmanufactured tobacco.
Live animals.
Meat products, including fresh, chilled or frozen beef, mutton, lamb, and pork, bacon, hams and shoulders, pork sausage, canned beef and meats.
Poultry, live or dresed, fresh, chilled or frozen.
Eggs, fresh, frozen, or dried.
Dairy products, including milk and cream, fresh or sour, dried, condensed or evaporated, butter, oleomargarine, and cheese of all types.
Miscellaneous animal products, including gelatin, glue, casein, meat extract, bristles, edible oils, tallow, and lard.
Animal and fish oils, inedible.
Vegetable oils and fats.
Essential or distilled oils.
Oilseeds, including cottonseed, soybeans and the like.
Grains and preparations, including flour and meal, cereal breakfast foods, biscuits, wafers, cakes, and bread.
Fodders and feeds.
Fruits and preparations, including all fruits in the natural state, green or ripe, in brine, dried, or prepared or preserved, or frozen.
Jellies, jams, marmalades, and fruit butter.
Fruit paste and pulp.
Fruit juices.
Beverages, including still wines, vermouth, champagne, beer, ale, malt extract and nonalcoholic beverages.
Vegetables and preparations, green or ripe, dried, or prepared or preserved.
Nuts and preparations, shelled or unshelled, blanched, roasted or otherwise prepared or preserved.
Seeds.
Nursery and greenhouse stock.
Raw cotton and cotton waste.
Other vegetable textile fibers and silk, unmanufactured.
Wool and other animal hair, unmanufactured.
Hides and skins, raw.
Drugs, herbs, and the like, including those advanced in condition, and fish oils.
Miscellaneous vegetable products, including monosodium glutamate, yeast, flavoring extracts, vinegars, sauces, soups, pastes, coffee essence, cocoa, chocolate, chewing gum, and other edible preparations.

Also tariff will be cut on the other tropical agricultural products:

Dutiable tropical agricultural and forestry products not produced in appreciable quantity in the United States

Tariff paragraph	Schedule A No. 1	Description of commodity	Total imports, 1960 (thousands)	Current rate of duty	Equivalent ad valorem rate [1]	Principal countries of origin
730	1111000	Coconut or copra oilcake and oilcake meal	$436	3/10 cent per pound	[2] 1.1	Philippines.
778	1328500	Ginger root	189	17 percent		Cuba and Hong Kong.
752	1330170	Bananas, dried	76	7.5 percent		Brazil.
752	1330335	Guavas, cashew apples, mameyes colorados, fresh.	2	15 percent		Mexico.
752	1330390	Guavas, bananas, papayas, etc., prepared or preserved.	518	do		Dominican Republic and Cuba.
746	1330400	Mangoes	255	3¾ cents per pound	16.0	Mexico, Cuba, and Taiwan.
752	1330810	Mango paste and pulp, guava paste and pulp	194	14.0 percent		Cuba.
752	1330820	Guavas, prepared or preserved, except desiccated, dried, evaporated, in brine or pickled.	86	8.75 percent		Do.
758	1351000	Coconuts in the shell	601	⅛ cent each	2.5	Honduras and Dominican Republic.
757	1356000	Brazil nuts, shelled	5,107	1⅛ cents per pound	2.0	Brazil and Bolivia.
757	1357000	Brazil nuts, not shelled	3,873	⅜ cent per pound	1.8	Brazil.
761	1377000	Cashew nuts	28,082	1½ cents per pound	3.4	India.
758(a)	1379000	Coconut meat, shredded	17,169	1¾ cents per pound	10.2	Philippines.
777(c)	1420000	Cocoa butter	7,183	6.25 percent		Brazil.
54, sec. 4571, IRC	1426000	Palm-kernel oil, edible	10,720	½ cent per pound plus 3 cents, IRC.[3]	3.4	Belgian Congo, Netherlands, and United Kingdom.
777(a)	1503500	Unsweetened chocolate	6,768	0.625 cent per pound	2.0	Dominican Republic.
764	1525000	Celery seeds	411	1 cent per pound	6.0	India.
781	1531000	Capsicum or red pepper, unground	1,430	4 cents per pound	19.8	Mexico and Japan.
92	1545000	Vanilla beans	11,390	7½ cents per pound	.7	Madagascar over Mexico.
92	1546000	Tonka beans	607	12½ cent per pound	12.2	Trinidad.
781	1549200	Mace, unground		18 cents per pound		
781	1550020 pt	Cinnamon, ground	[4]	3 cents per pound	.5	Japan.
781	1550020 pt	Nutmeg, ground				
781	1550020 pt	Ground black, and white pepper				
781	1550040	Cloves, ground		do		
781	1550070	Cassia, ground		do		
781	1550100	Mace, ground, Bombay		15 cents per pound		
781	1550130	Pimento, ground	3	2 cents per pound	6.9	Spain.
781	1550150	Ground pepper (capsicum red)	4	5.1 cents per pound	17.6	Greece and Japan.
781	1550170pt	Curry and curry powder, ground	26	2 cents per pound	4.5	United Kingdom and India.
781	1550170pt	Ginger root, ground				
781	1550590pt	Mixed spices	[5]	12.5 percent		India.
781	1550590pt	Bay leaves				
802	1718400	Bitters (unfit for beverage purposes)	359	$2.50 proof gallon	66.1	Trinidad.
10	2141000	Balsam, crude, copaiba	27	2.5 percent		Brazil
10	2141400	Balsam, crude, tolu	137	10 percent		Brazil.
10	2141900	Balsam, crude, not specifically provided for	129	2.5 percent		Colombia.
11	2161000	Gums, arabic or senegal	4,130	½ cent per pound	2.6	El Salvador.
47	2204000	Licorice extract	100	12.5 percent		Sudan.
59	2206000	Opium, crude	2,864	$9 per crude pound	13.4	Turkey.
36	2220030	Coca leaves	82	2 cents per pound	6.0	India.
36	2220050	Digitalis	6	17 percent		Peru.
35	2220170	Ipecac		5 percent		Netherlands.
35	2220350	Pyrethrum or insect flowers	5,419	2.5 percent		British East Africa and Belgian Congo.
35	2220380	Barbasco, derris, tube root	228	2 percent		Peru.
34	2220490pt	Dried pawpaw juice	[5]	5 percent		
762	2231000	Castor beans	208	¼ cent per pound	3.6	Haiti and Ecuador.
54	2242500	Coconut oil	20,181	1 cent per pound	6.7	Philippines.
1732	2243000	Palm oil	5,011	Free plus 3 cents per pound, IRC.[3]	0	Belgian Congo.
1732	2248000	Inedible palm-kernel oil	2,166	do [3]	0	Do.
53	2260020	Castor oil	14,130	1½ cents per pound	11.4	India and Brazil.
58	2278000	Sandalwood oil	740	10 percent		India and France.
58	2290190	Clove oil	500	6.25 percent		Madagascar and British East Africa.
58	2290200	Eucalyptus oil	134	6 percent		Spain and Australia.
58	2290320	Patchouli oil	579	6.25 percent		Indonesia.
58	2290410	Vetivert oil	707	5 percent		Haiti.
58	2290490pt	Cajeput oil	[6]	6.25 percent		
38	2830150	Logwood extract, dyeing	104	7.5 percent		Jamaica and France.

Footnotes at end of table.

Dutiable tropical agricultural and forestry products not produced in appreciable quantity in the United States—Continued

Tariff paragraph	Schedule A No. 1	Description of commodity	Total imports, 1960 (thousands)	Current rate of duty	Equivalent ad valorem rate [1]	Principal countries of origin
1670(b)	2344000	Quebracho tanning extract	$6,123	7.5 percent	0	Argentina and Paraguay.
1670(b)	2345500	Wattle tanning extract	1,128	do. [6]	0	Union of South Africa and British East Africa.
764	2460330	Niger seed	118	1½ cents per pound	18.1	Ethiopia.
764	2460550	Sesbania seed	9	2 cents per pound	47.6	Mexico.
1001	3407000	Crin vegetal	12	$11.20 per ton	13.8	Morocco.
1102(b)	3535050	Alpaca, llama, and vicuna hair	2,939	9 cents per pound	6.8	Peru.
1022	3963000	Cocoa fiber or rattan matting	337	5 cents per square yard	7.3	India and Netherlands.
1803(1), sec. 4551(1), IRC.	4118600	Teak lumber	981	Free plus $3 per thousand board feet, IRC.	.5	Thailand and Burma.
404, sec. 4551(1), IRC	4200000	Spanish cedar lumber, sawed and flooring	1	5 percent plus 75 cents per thousand board feet, IRC.	6.1	Surinam.
1803(1), sec. 4551(1), IRC.	4200100	Spanish cedar lumber, not elsewhere specified	69	Free plus $1.50 per 1,000 board feet, IRC.	.8	Nicaragua and British Honduras.
1803(1), sec. 4551(1), IRC.	4202400	Mahogany lumber, dressed	4,849	do	.8	Mexico, Nicaragua, British Honduras, and Ghana.
404, sec. 4551(1), IRC	4204500	Lignum vitae, ebony, etc., sawed and flooring	4	7½ percent plus $1.50 per 1,000 board feet, IRC.	7.7	Guatemala and Haiti.
1803(1), sec. 4551(1), IRC.	4204750	Lignum vitae, ebony, etc., not elsewhere specified.	18	Free plus $3 per 1,000 board feet, IRC.	.2	Guatemala.
1803(1) sec. 4551 (1), IRC.	4204800	Philippines-type hardwood lumber	14,276	Free plus $1.50 per thousand board feet, IRC.	.8	Japan and the Philippines.
404 sec. 4551 (1), IRC	4204810	Granadilla, rosewood, satinwood, sawed and flooring.	14	5 percent plus 75 cents per thousand board feet, IRC.	17.1	Brazil and West Germany.
1803(1), sec. 4551(1), IRC.	4204850	Granadilla, rosewood, satinwood, not elsewhere specified.	26	Free plus $1.50 per thousand board foot, IRC.	.3	Ceylon and India.
Do	4204900	Sawed lumber and timber, not specifically provided for.	6,375	do	1.2	Colombia and Canada

[1] Calculated on basis of imports from all countries except Cuba, the Philippines, and Sino-Soviet bloc, unless otherwise indicated.
[2] Calculated on basis of imports from the Philippine (sole supplier in 1960).
[3] IRC processing tax suspended to June 30, 1963.
[4] Less.
[5] Not available.
[6] Temporarily transferred from tariff par. 38, dutiable at 7.5 percent, to tariff par. 1670, duty free, until Sept. 30, 1963.

Source: Prepared in the International Trade Analysis Division Office of Regional Economics, from basic data of the Bureau of the Census, U.S. Department of Commerce, April 1962.

Third. If all the tariffs are not reduced by the two preceding provisions the President has the blanket authority to cut all the rest by 50 percent.

This bill will for the first time in the history of the United States abandon the no-serious-injury policy. This bill will abandon for the first time item-by-item consideration. Instead by categories industries are to be lumped together. Industries are redefined, yet, firms differ greatly, as some have many products and many plants compared with smaller business that does not have the multiproducts and multiplants.

The bill replaces the present peril-point safeguards against injury to industries and workers with a meaningless procedure which will permit the State Department and other foreign-trade bureaucrats to sentence U.S. industries and workers, farmers and miners, to economic death.

The bill would destroy the peril-point procedure.

Since 1951, the Tariff Commission has been required to determine the extent to which the duty on articles proposed for tariff negotiations could be reduced without causing or threatening serious injury to American industries, farmers, and workers.

The job has been made tedious for the Tariff Commission by the great number of articles simultaneously proposed for negotiation by the State Department. But the existence of this peril-point procedure has served effectively to prevent unwise reductions in duty from being made. In the Dillon round, 40 percent of the U.S. duties proposed for a 20-percent reduction in duty were spared from being cut by peril-point findings.

Today this procedure is more essential than ever, because our duties have been brought so low—about 10 percent after the current reductions take effect—that the protection which remains is vitally important to industries sensitive to import competition.

In its place, the bill would simply call for the President to be advised by the Tariff Commission of the economic effect of reductions or eliminations of duty.

The definition of industry which required the Commission to consider the impact of imports on that part of the operations of the firms producing articles competitive with the imported articles, would be repealed. The Commission would have to consider the effect of imports on the overall operations of the firms in the industry, regardless of whether they are multiproduct or multiplant producers.

Further, instead of determining whether increased imports due in whole or in part to proposed concessions would cause or threaten serious injury, the Commission would be limited to considering whether imports resulting solely from the concessions possible under the bill would cause "idling of productive facilities, inability to operate at a profit, and unemployment or underemployment"—House Report No. 1818, page 5.

These quoted words, expressive of bankruptcy and liquidation were so controversial that the committee eliminated them from the bill; however, the committee used these words in its report. These changes in combination effectively prevent the Commission from warning in advance of negotiations against injurious changes in duty. Total disaster attributable solely to a duty change will rarely be foreseen.

So, the many items spared from tariff reduction in the Dillon round because the Commission found them to be at the peril point—about 40 percent of the list—could not be spared in negotiations conducted under the bill. The benchmark which saved them then will be erased by the bill. These included industrial organic chemicals; cotton, wool, and manmade fiber textiles; earthenware, crockery, and chinaware; scientific glassware; glass and glass manufactures; structural steel; handtools; screws, rivets, washers, nuts, and so forth; furniture; candy and confectionery; fish and fish products; musical instruments, violins, and violas; photographic cameras and parts.

The peril-point procedure was a guardrail to prevent disaster. Its deliberate removal means that disaster is foreseen and intended. The use of the powers in the bill, therefore will amount to sentencing the industries whose products are selected to economic death.

H.R. 11970 also abandons or cripples the procedure so that the Tariff Commission will rarely be able to make the findings required for tariff adjustment; and by providing for a dole to workers and subsidies to firms at the administration's discretion as alternatives to tariff adjustment, the bill invites displacement of employment and elimination of domestic production of all import-sensitive items.

The administration bill, as introduced, eliminated the escape clause procedure under which the Tariff Commission determines whether, as a result, in part at least, of past tariff concessions, imports are causing or threatening serious injury to domestic industries or workers.

The Ways and Means Committee reinstated the basic duty of the Commission to determine whether imports are causing or threatening serious injury. But the committee weakened the remedy in several ways: It specified that the Commission must find that the increased imports causing the injury resulted solely from a concession granted in a trade agreement. Present law permits a favorable finding if the increased imports

result only in part from the concession. It will be very difficult to prove in any particular case that increased imports have resulted solely from the concession granted on the imported articles in question.

Even more crippling is the committee's action in repealing the definition of domestic industry. Present law focuses the Commission's investigation on the particular segment of the industry, and the particular part of the operation of the firms in the industry, directly involved in producing the articles in question. Under the language of the bill, and the committee's remarks on the subject in its report—House Report No. 1818, page 23—the Commission must consider the effect of imports of a particular article on the overall operations of the establishments in the industry.

It is unlikely that imports of one article could have the effect which the bill sets out as the test for relief, of bringing the multiproduct, multiestablishment firms of an industry producing the article to the condition where there is idling of productive facilities, inability to operate at a profit, and unemployment or underemployment of workers throughout the entire industry, viewed in its broadest sense.

The committee's report, by requiring this combination of events, which collectively are the hallmark of bankruptcy and economic disaster—far beyond serious injury—to be the principal test—report, page 38—foreordains that findings of injury will be few and far between.

Finally, even if an industry secures a favorable finding from the Commission, the President may, under the bill, use one or more of the so-called adjustment provisions of the bill—workers' dole, loans or tax relief to firms—instead of tariff adjustment.

Considering Under Secretary of State Ball's assurances to the European Community—address, Bonn, Germany, April 2, 1962:

> The proposed trade legislation now before the U.S. Congress embodies the principle that trade adjustments, rather than trade restrictions, should be the preferred approach to import competition.

It is plain that the provision for tariff adjustment in the bill is window dressing. There is no intention by the administration that it will ever be used.

So, to all intents and purposes, the escape clause is repealed by this bill. The added provision that any tariff increase will last only 4 years is wholly unnecessary. There will not be any tariff adjustments.

Now, why, you may ask, is it that the administration has come before us asking for this bill? I will tell you. Here is a message by the President on March 7, the concluding date of the second round of the GATT Tariff Conference. The President presented reasons why he went under the peril point, because he could not negotiate with what we had to negotiate with, and the President said we were unable to confer concessions of equal value to the Europeans.

In summary of the proceedings the message said:

> The United States, operating under the severely circumscribed authority of the present Trade Agreements Act, was unable to offer concessions of equal value to the Europeans. This was true even though the President went below the peril-point rates recommended by the Tariff Commission on a number of items. In spite of the inability of the United States to offer equivalent concessions, the Community agreed to close the negotiations on the basis of the concessions finally offered by the United States.

Our tariffs were already so much lower than one other nation, in balance, we had less bargaining room yet the President wanted to go still lower. The message states:

> The Tariff Commission's peril-point findings were, therefore, carefully reexamined and a number of additional items were found in which it appeared possible to offer tariff reductions.

So we find that the Tariff Commission findings provided for the President's guidance were almost disregarded as further cuts were made in the tariff concessions.

Now we come to the list of those industries whose tariffs were cut below the peril point, requiring a report to the Congress by the President. The President said in that report:

> Accordingly, after months of negotiation and when no other recourse was available to save the situation, I authorized our Geneva delegation to offer new concessions on a number of items at rates below peril-point findings.

So there you have it, cuts were made in negotiations regardless of endangering U.S. industry. The following are those industries:

U.S. concessions at tariff rates below peril-point levels

Tariff paragraph	Description of product and 1957 schedule A No.	Rate of duty		Initial negotiating country
		July 1, 1958	Offer	
81	Sodium nitrite, 8341 000	4½ cents per pound	3.6 cents per pound	United Kingdom.
207	China clay or kaolin, 5300 000	$1.06 per ton	$0.67 per ton	Do.
218(f)	Glassware: Table and kitchen articles and utensils and other household articles, n.e.s., blown or partly blown, or decorated in any manner, or colored, etc.:			
	Made of glass containing by weight over 24 percent lead oxide, 5278 690 (pt)	50 cents each, 30 percent minimum, 50 percent maximum.	40 cents each, 24 percent minimum, 40 percent maximum.	EEC, Sweden.
	Other articles decorated with metals flecking introduced into the glass prior to solidification, 5278 690 (pt).	50 cents each, 30 percent minimum, 50 percent maximum.	40 cents each, 24 percent minimum, 40 percent maximum.	EEC.
218(f)	Glass articles, blown or partly blown, or decorated, in any manner, or colored, etc., n.e.s.: Colored glass tiles for mosaics, 5278 780 (pt.).	30 percent	24 percent	EEC.
302(k)	Ferrochrome or ferrochromium, containing less than 3 percent carbon, 6214 100	10½ percent	8½ percent	EEC, Sweden, Norway.
304	Steel bars: Bars, whether solid or hollow, n.e.s.: Valued over 3½ cents not over 5 cents per pound, 6008 400.	8½ percent	7 percent	EEC.
316(a)	Flat wire, and steel in strips thicker than 5/100, not thicker than ¼ inch, and not over 8 inches wide, 6095 500.	12½ percent	10 percent	EEC.
339	Table, household, kitchen, and hospital utensils, and hollow or flatware, n.s.p.f., whether or not containing electrical heating elements, composed wholly or in chief value of brass:			
	Carbonated water siphons not plated with platinum, gold, or silver, 6790 682	do	do	EEC.
	Other (than illuminating articles and carbonated water siphons), 6458 800	do	do	EEC.
339	Silver-plated ware (except cutlery and jewelry):			
	Table, household, kitchen, and hospital utensils, and hollow or flat ware:			
	Other (except spoons):			
	Plated with silver or nickel silver or copper, 6900 340 (pt)	21 percent	17 percent	United Kingdom.
	Plated with silver on other metal, 6900 345 (pt)	do	do	EEC, United Kingdom.
	Plated with silver on material other than metal, 6900 348 (pt)	do	do	United Kingdom.
353	Machines and articles having as an essential feature an electrical element: Other articles and parts, and machines and parts which would be dutiable under paragraph 372 if of a kind which could be designed to operate without such electrical element or feature, except the following: Floor polishers and and parts; vacuum cleaners and parts; illuminating articles; electric razors and dry shavers and parts; model railroad equipment and parts; photoflash units and parts; loudspeakers and radio-phonograph combination units: 1957: 7100 990 (pt.). 1960: 7070 100, 7070 200, 7070 700, 7100 250, 7100 290, 7100 980, 7410 000, 7786 415, 7786 820, 7800 408, 7800 440, 7800 540, 7800 600, 7800 695, 7800 860, 7801 000, 7802 100, 7802 300, 7802 900, 9050 200, 9050 900.	13¾ percent	11½ percent	EEC, part for Norway.
357	Pruning and sheep shears and blades therefor: Valued over $1.75 per dozen, 6118 200.	4½ cents each plus 10½ percent.	4 cents each plus 8 percent	EEC.
365	Rifles, breech-loading: Valued over $10, not over $25 each, 9470 120	$3 each plus 22½ percent	$2.4: each plus 18 percent	EEC.
	Shotguns: Valued over $25, not over $50 each, 9470 460	$2.55 each plus 12½ percent	$2.04 each plus 10 percent	EEC.
	Valued over $50 each. 1957: 9470 480. 1960: 9470 482, 9470 485.	20 percent	16 percent	EEC.

U.S. concessions at tariff rates below peril-point levels—Continued

Tariff paragraph	Description of product and 1957 schedule A No.	Rate of duty		Initial negotiating country
		July 1, 1958	Offer	
366	Pistols and revolvers: Valued over $8 each, 9470 020	$1.75 each plus 27½ percent	$1.40 each plus 22 percent	EEC.
	Parts and fittings for pistols and revolvers, 9470 030	52½ percent	42 percent	EEC.
372	Metalworking machinery and parts:			
	Metal cutting types:			
	Boring machines and parts, except jig boring, 7400 530	15 percent	12 percent	EEC.
	Drilling machines and parts, 7400 540	do	do	EEC.
	Milling machines and parts, 7400 570	do	do	EEC.
	Machines, n.s.p.f., finished or unfinished:			
	Exposure meters	11½ percent	9 percent	EEC.
	1957: 7800 990 (pt).			
	1960: 9050 000.			
	Materials handling equipment and parts	do	do	EEC.
	1957: 7800 990 (pt).			
	1960: 7800 690.			
	Machines, n.s.p.f., finished or unfinished: Machinery and parts, n.e.s., except agriculture.	do	do	EEC.
	1957: 7800 990 (pt).			
	1960: 7840 980.			
390	Bottle caps of metal, collapsible tubes, and sprinkler tops, decorated, enameled, plated, or embossed, 6790 020.	15 percent	12 percent	EEC.
397	Manufactures of brass, n.s.p.f., except plumbing goods and fixtures, 6458 900 (pt).	19 percent	15 percent	EEC.
	Manufactures of bronze, n.s.p.f., 6459 900	do	do	EEC.
	Valves of brass or bronze, 6790 970	22½ percent	18 percent	EEC.
1004(a)	Yarns, single:			
	Of flax: Finer than 60 lea	15 percent	12 percent	United Kingdom.
	1957: 3270 300.			
	1960: 3270 600 (pt).			
	Of flax and hemp or ramie, or both: Finer than 60 lea	do	do	Do.
	1957: 3270 500.			
	1960: 3270 600 (pt).			
1004(b)(c)	Threads, twines, and cords: Hemp (less than 1/8-inch diameter) and ramie (less than 3/16-inch diameter, 3272 500.	20 percent	16 percent	EEC.
1009(b)	Woven fabrics of jute for paddings or interlinings, over 30 threads in warp and filling to the square inch, weighing from 4½ to 12 ounces, inclusive, per square yard, 3248 100.	12½ percent	10 percent	EEC.
	Woven fabrics for padding or interlining, of flax or hemp over 30, not over 120 threads in warp and filling to the square inch, and weighing from 4½ to 12 ounces, inclusive, per square yard, 3286 000.	do	do	United Kingdom.
1011	Plain woven fabrics of vegetable fiber (except cotton and jute), weighing less than 4 ounces per square yard, 3275 000.	8½ percent	6½ percent	Do.
1014	Household articles, n.e.s., of vegetable fiber other than cotton: Towels, finished or unfinished, having threads to the square inch, counting warp and filling: Flax:			
	Exceeding 120 threads to the square inch, 3352 200	10 percent	8 percent	Do.
	Exceeding 120, not exceeding 130 threads to the square inch	12½ percent	10 percent	Do.
	1957: 3352 600.			
	1960: 3352 650 (pt).			
	Exceeding 130 threads to the square inch	do	do	Do.
	1957: 3352 700.			
	1960: 3352 650 (pt).			
1016	Handkerchiefs or vegetable fiber other than cotton, machine hemmed, or unfinished if having drawn threads, 3291 600.	23 percent	18 percent	Do.
1107	Yarns of Angora rabbit hair, 3573 000	40 cents per pound plus 12½ percent.	40 cents per pound plus 10 percent.	EEC.
	Household articles, n.e.s., of vegetable fiber other than cotton: Napkins, finished or unfinished: Flax: Not exceeding 120 threads to the square inch, 3352 500.	12½ percent	10 percent	United Kingdom.
1202	Spun silk or schappe silk yarn, or yarn of silk and rayon or other synthetic textile, and roving: Not bleached, dyed, colored, or plied: Spun silk yarn (schappe), singles or more than 58,800 yards per pound.	27 percent [1]	17 percent [1]	EEC.
	1957: 3705 100 (pt).			
	1960: 3705 010.			
	Spun silk or schappe silk yarn, or yarn of silk and rayon or other synthetic textile, and roving: Not bleached, dyed, etc.:			
	Silk noil yarn (bourette), 3705 200	21 percent	do	EEC.
	Other	do	do	EEC.
	1957: 3705 100 (pt).			
	3705 300.			
	1960: 3705 390.			
	Bleached, colored, dyed, or plied: Other	25½ percent	20 percent	EEC.
	1957: 3705 600 (pt).			
	3706 200 (pt).			
	1960: 3706 290.			
1309	Hats, bonnets, and hoods, in chief value of rayon or other synthetic textile: Knit or crocheted, 3927 300.	25 cents per pound plus 30 percent.	25 cents per pound plus 24 percent.	EEC.
1504(b)(4)	Hats, bonnets, and hoods, wholly or in chief value of straw, chip paper, grass, palm leaf, willow, osier, rattan, real horsehair, cuba bark, ramie, or manila hemp:			
	Other: Sewed (whether or not bleached, dyed, colored, or stained):			
	Straw:			
	Blocked (semifinished) or trimmed (finished):			
	Valued less than $15 per dozen, 3925 400	$2.35 per dozen plus 20 percent.	$1.88 per dozen plus 16 percent.	EEC.
	Valued $15 or more per dozen, 3925 500	$2 per dozen plus 15 percent	$1.60 per dozen plus 12 percent.	EEC.
	Other, whether or not blocked or trimmed, 3925 900	$1.50 per dozen plus 25 percent.	$1.20 per dozen plus 20 percent.	EEC.
1519(a)	Dressed furs: Coney and rabbit:			
	Not dyed: Whole skins, 0730 000	12½ percent	10 percent	EEC.
	Tails, paws, pieces, etc., 0730 005	do	do	EEC.
1527(a)(1)	Jewelry, commonly or commercially so known, finished or unfinished (including parts thereof): Composed wholly or in chief value of gold or platinum, or of which the metal part is wholly or in chief value of gold or platinum, 6835 200.	30 percent	24 percent	EEC.
1529(a)(25)	Laces, lace fabrics, and lace articles (except veils and veilings), made on a Levers (including go-through) lace machine, whether or not embroidered, made full gage on a machine of 12 point or finer; wholly or in chief value of: Cotton and made with independent beams, 3168 100.	35 percent	28 percent	EEC.
	Silk, 3750 400	35 percent	28 percent	EEC.
	Rayon or other synthetic textile, 3855 100	45 percent	36 percent	EEC.
1535	Parts of fish reels, n.s.p.f., 9420 470	34 percent	27 percent	EEC, Sweden.

[1] The duty on this class has been suspended during the 3-year period beginning Nov. 7, 1959, by Public Law 86-235, 86th Cong.

To the Congress of the United States:

This report, supplementing my report on reductions made at the 1960–62 Tariff Conference in excess of peril-point findings, is further in compliance with section 4(a) of the Trade Agreements Extension Act of 1951.

During the usual peril-point investigation of the items included in the public notice issued in connection with the negotiations, the Tariff Commission found that the peril-point was higher than the present rate on nine widely varied products. The Trade Agreements Extension Act of 1958 provides that in such instances the Tariff Commission must institute an immediate escape-clause investigation with respect to the articles involved. Accordingly, the Commission undertook the required investigations with the following results:

1. On baseball and softball gloves, ceramic mosaic tile, and sheet glass, the Commission recommended to me that existing duties be increased.

2. On tennis rackets and creeping red fescue seed, the Commission terminated the investigations without recommendation.

3. On ultramarine blue, rolled glass, plastic raincoats and cellulose filaments, the Commission found that increases in the duties were not necessary.

The law provides that, if the President does not negotiate the increase of duty indicated by the Commission's peril-point findings, he shall report his reasons therefore to the Congress.

This is to advise that no such increases in duty were negotiated at the 1960–62 conference. The recitation of the Tariff Commission's further investigation of these nine cases, as above given, suggests why the negotiation of higher rates was not undertaken. In six of the nine cases the Tariff Commission, upon a fuller study of the facts than had been possible during its peril-point investigation, did not recommend an increase in duty. In the other three, I was not satisfied that all of the applicable facts had been fully canvassed in the Commission's subsequent investigations; consideration of the appropriate rate of duty was consequently still pending as of the time our negotiations at the 1960–61 conference were being completed. I now have supplementary reports of the Tariff Commission before me. My decision on the three cases is pending.

I append a list defining more precisely the nine commodities mentioned above.

JOHN F. KENNEDY.

THE WHITE HOUSE. *March 7, 1962.*

List of products on which tariff increases were not negotiated

Tariff par.	Description	Present rate of duty
68	Ultramarine blue, dry, in pulp, or ground in or mixed with oil or water, wash and all other blues containing ultramarine (Sch. A Class. 8420 115)	2⅛ cents per pound.
202(a)	Tiles, unglazed, glazed, ornamented, hand painted, enameled, vitrified, semivitrified, decorated, encaustic, ceramic mosaic, flint, spar, embossed, gold decorated, grooved or corrugated, and all other earthen tiles and tiling by whatever name known (except pill tiles and tiles wholly or in part of cement):	
	Ceramic mosaic tiles:	
	Valued at not more than 40 cents per square foot (Sch. A Class. 5380 530)	4½ cents per square foot, minimum 21 percent, maximum 30 percent ad valorem.
	Valued at more than 40 cents per square foot (Sch. A Class. 5380 540)	25½ percent ad valorem.
219	Cylinder, crown, and sheet glass, by whatever process made, and for whatever purposes used: (Sch. A Class. 5200 400 through 5200 820):	
	Measuring in square inches:	
	Not over 150	0.7 cents per pound.
	Over 150 but not over 384	Do.
	Over 384 but not over 720	0.9 cents per pound.
	Over 720 but not over 864	Do.
	Over 864 but not over 1,200	1.1 cents per pound.
	Over 1,200 but not over 2,400	Do.
	Over 2,400	1.4 cents per pound.
	Provided, That none of the foregoing weighing under 16 but not under 12 ounces per square foot shall be subject to a less rate of duty than.	17 percent ad valorem.
224	Cylinder, crown, and sheet glass, by whatever process made, when bent, frosted, sanded, enameled, beveled, etched, embossed, engraved, flashed, stained, colored (except glass not less than ¼ of 1 inch in thickness, when obscured by coloring prior to solidification), painted, ornamented, or decorated.	2½ percent ad valorem additional.
221	Rolled glass (not sheet glass) fluted figured, ribbed, or rough, or the same containing a wire netting within itself (Sch. A Class. 5200 400).	0.625 cents.
224	Rolled glass, by whatever process made, when bent, frosted, sanded, enameled, beveled, etched, embossed, engraved, flashed, stained, colored (except glass not less than ¼ of 1 inch in thickness, when obscured by coloring prior to solidification), painted, ornamented, or decorated.	2½ percent ad valorem additional.
409	Articles not specially provided for, wholly or partly manufactured of rattan, bamboo, osier, or willow: Tennis-racket frames valued less than $1.75 each. (Sch. A Class. 4225 900 (part)).	25 percent ad valorem.
412	Manufactures of wood or bark, or of which wood or bark is the component material of chief value, not specially provided for:	
	Tennis-racket frames valued each:	
	Less than $1.75 (Sch. A Class. 4225 900 (part)).	14 percent ad valorem.
	$1.75 or more (Sch. A Class. 4225 300).	10 percent ad valorem.
1502	Rackets and other equipment, such as is ordinarily used in conjunction with balls primarily designed for use in physical exercise, and not specially provided for:	
	Tennis rackets (Sch. A Class. 9439 500)	17½ percent ad valorem.
763	Grass seeds and other forage crop seeds:	
	Creeping red fescue (Sch. A Class. 2410 120)	1 cent per pound.
1302	Filaments of rayon or other synthetic textile, not exceeding 30 inches in length, other than waste, whether known as cut fiber, staple fiber, or by any other name:	
	Cellulosic filaments of rayon or other synthetic textile (except acetate filaments) (Sch. A Class. 3810 050 (part)).	15 percent ad valorem.
1502	Equipment, such as is ordinarily used in conjunction with balls primarily designed for use in physical exercise, and not specially provided for:	
	Baseball and softball gloves, including mets (Sch. A Class. 7429 970).	Do.
1537(b)	Manufactures of india rubber or gutta-percha, or of which these substances or either of them is the component material of chief value, not specially provided for:	
	Raincoats:	
	Wholly or in chief value of unsupported plastic film and classifiable by similitude to raincoats wholly or in chief value of india rubber. (Sch. A Class. 2098 900 (part).)	12½ percent ad valorem.

Somehow these industries have not yet felt the 20-percent cut that is below the peril point. It will not hit them until July, half of the reduction, and the other half in July of next year.

So that is what happened at Geneva. Here are the volumes giving the details of those concessions. I do not know how many Members know this. I doubt whether very many members of the Committee on Ways and Means have ever read these volumes. But this is the heart of the trade situation today and we do not yet know the effect in practice on the industries concerned.

Yet we are being told we must grant further reductions. The pattern is clearly established by the March 5–7 meetings at Geneva. Regardless of harm to our industry we will cut tariffs.

This is planned injury, business destruction, intentionally with planned forethought.

Nor is that all in this travesty on commonsense. We do all this under GATT. Yet GATT has never been approved by Congress.

Here is the present law as stated in the act of 1951, as amended:

SEC. 10. The enactment of this Act shall not be construed to determine or indicate the approval or disapproval by the Congress of the Executive Agreement known as the General Agreement on Tariffs and Trade.

The entire bill is based on an executive agreement, never approved by Congress.

We wrote it into the law so that the world would know we were not behind the general agreement. Maybe we would approve GATT if it came before us. I cannot understand why we do not give it legitimate parentage.

Why have we not received reciprocal concessions, admitting the partial failure of our negotiations?

Look at the separate views in the report. The gentleman from Wisconsin and other Members have pointed out that the Common Market is a protectionist bloc. This is by intention and is the prerogative they are exercising, and they are continuing to exercise, as I believe the facts clearly show.

Look at some of the pamphlets published by and concerning the Common Market itself. Here is one called "The Common Market" that outlines the safeguard clauses, page 15, for the members of the Common Market:

Built into the Common Market Treaty are a number of safeguards. They are intended to avoid the endangering of the Community's objectives through economic dislocation during the transition period in which economic frontiers are gradually being abolished.

I. THE SAFEGUARD CLAUSES

In case of serious and persistent difficulties in a particular sector or region, a member state can ask for permission to take safeguard measures which will enable it to bring the situation back into balance and to adapt the sector to the Common Market's economy. A very small number of requests for the application of the safeguard clauses has been made in the first 3 years by the member countries' governments; as a result the Commission has—

Authorized Italy to adopt safeguard measures for the Italian market in several products, including sulfur, various chemicals, raw silk, lead, and zinc. These measures should enable reorganization to be carried out in several crucial sectors of the Italian economy, with the help of the European Social Fund and the European Investment Bank;

Exempted Italy from enlarging import quotas for wine, owing to the difficulties caused by surpluses which have been occurring for several years in the Italian wine-growing industry (with the exception of a quota of 10,500 hectoliters of Benelux and German wines);

Authorized Germany to levy a temporary tax on bread coming from the Netherlands and on fondant paste coming from Belgium and the Netherlands, owing to difficulties arising from disparities in the conditions of competition.

2. MINIMUM PRICES

If the gradual abolition of customs duties and quotas is likely to lead to prices capable of imperiling the objectives of the common agricultural policy, each member state may adopt, for certain products, a system of minimum prices. When prices fall below these levels, imports can either be temporarily suspended or reduced, or allowed only at a price not lower than the minimum which has been fixed.

The Commission has made proposals to the Council for determining the criteria by which minimum prices may be fixed. So far these prices have been applied mainly for fruits and vegetables. France has also adopted them for pig meat, lard, and poultry, Italy only for butter and beef; the Netherlands, on the other hand, has not used them at all.

These protections are not offered by us to our own industry.

On page 18, here is another provision for tariff protection, called waivers:

Waivers from the common external tariff can be granted by the Commission when Community output of certain products is insufficient, and when the supply of one or several of the member countries traditionally depends on imports from nonmember countries. In these cases, tariff quotas at reduced or nil duties may be granted to the country concerned. Of the tariff quotas requested by member countries, roughly 50 have been granted.

Tariff quotas involve for the Community a number of risks, since they bring a break in the unity of the common external tariff and in the achievement of the customs union. This should be considered as transitional measures, the Commission believes.

Then there are also cartel grace periods granted as a special system for cartels which are not permissible under the Rome Treaty of the EEC.

These protections are not offered by us to our own industry. Another booklet, "The European Community 1950–1960," talks about their goal of political unity. That is fine. The United States became a political unity. If they want to do it, fine. As for us, we are interested in good economics, sound business.

Their possible political unity is their business. They may want to cut tariffs internally as our several States did in the U.S. union. That is their right. Obviously they are erecting a trade wall around them. That is our proper concern, to see that their trade concessions are truly reciprocal. These booklets are available if anybody wants to look at them.

We do not know, even, who will be the nations in the European Economic Community. There are now six—France, West Germany, Italy, Netherlands, Belgium, and Luxembourg.

Will the EFTA, the "outer seven," European Free Trade Association join in, too? These are Sweden, Austria, Portugal, Switzerland, Denmark, Norway, and the United Kingdom. Will they join the Common Market?

For the British Commonwealth, the United Kingdom to join in, their tariffs will have to be raised between them for admission. Is this freer trade?

In further explaining why the lack of reciprocity, we must remember that GATT provides escape clauses, yet also states that quotas are a violation. Yet there are many quotas against U.S. goods preventing shipment. Further, I think all of us know the retaliation that has already begun against us. We have seen signs of tariffs and other barriers being raised, not lowered, to better their bargaining position before this bill becomes law. Our chairman was concerned about poultry and made quite a talk on it and the possibility of higher tariffs against our products. We know what Belgium said to us about the glass and carpets. We know what Canada has done. Canada has raised tariffs 5 to 15 percent and we have not disapproved yet our deficit position is the worst in the world. Yet, we cannot raise tariffs. We will even lower many of them.

Mr. Chairman, there are some other dangers that are contained in this bill. Under the most-favored-nation concept, there is a threefold cost to the United States. Here is what happens: First of all, we cut our tariff, and the contracting nationship into our market. Then a third party—let us say we cut our tariff with France—Japan as a third party can come in under it and receives the same tariff treatment that France received, and ships into the United States, yet France will not extend its tariffs to Japan, so we then get a third go-round of those goods that Japan would have liked to ship to France, and so they can ship them to us. We are an export open market for all of the other nations that want to ship to us, yet the Common Market does not have similar arrangements with the third-party nations like Japan and other emerging nations. We do not, of course, class Japan as an emerging nation. They are well industralized already, with our help and assistance. But if we lower the tariff, then through the favored nation clause, section 215, we will have a flood of imports which sound logic tells me there will be. That flood is surely to come because the import duties will be lowered to all comers as a result of this bill. What do you think will happen to our balance of payments, and what do you think will happen to our gold? We have the lowest gold reserve we have ever had. I leave those questions to be answered by each. I think you know what will happen. A rash of imports will result in an immediate outflow of gold and a further imbalance of payments.

Mr. Chairman, more than this, actually we all know what is happening. Our industry is going abroad. Why? It is simple. It is obvious. Why not build a plant in Europe, because if you do you have a protective wall around you, the Common Market external tariff, and you can ship out from behind that protective wall into low-tariff areas, like the United States mainly. In other words, you may ship outside, but other countries cannot ship in proportionately. You are protected because the United States cannot ship back into that country where you are located. That is why the automobile people do not fuss. They are big companies, and they can go in and do build plants overseas. Small business cannot do that. Again, I do not think this is even controversial, but perhaps I am so shortsighted that I cannot see some of these things are even debatable. But I am presenting it to the Members of the House. Plants are built abroad because industry at home cannot compete with foreign industry, because of trade restrictions against us, coupled with our low import tariffs.

As for wage scales, I can refer you to page 2277 of the hearings, as well as pages 713, 737, and 2481. These are charts given of the comparative wages among the different countries—between our country and other countries. These charts will tell you why we cannot compete with them. Our industry is in a

difficult position to compete with the foreign nations when the differential is so great, against those who have low wage levels.

Mr. Chairman, there are other problems, such as subsidies and tax concessions of foreign countries for their own industries. They let industry depreciate their equipment, but we do not give our industry a comparable tax break here. The foreign nations do, and our industries have to compete with the foreign nations who have such things as faster writeoffs. This is but one phase of our tax law that burdens U.S. industry at home and abroad.

Mr. Chairman, we should be taking a look at our entire fiscal and economic policy. We need to have a stabilized currency, and not built-in inflation or deficit financing such as given as the advise of Mr. Heller, whose policies West Germany turned down and prospered.

They turned down his proposals, and they have contradicted everything he recommended, and have boomed now Mr. Heller is succeeding in getting our President to adopt his outmoded views. The committee's separate views, page 89, outline the urgent need, first, before a grandiose trade bill, of the priority of fiscal and economic reform here at home.

Mr. Chairman, I oppose this bill, and all the other big spending programs, because of the heavy tax burden our industries bear that are heavier than those taxes which the foreign competitors have to pay. As a result our industry is not in a competitive position. We should be doubly careful now in cutting our tariffs.

Mr. Chairman, what we are doing is just the reverse of the history of our country. We used to import the raw material and make the finished goods and then ship them out. Now we ship out for example, the hides and the raw leather and these other foreign competing countries ship the finished goods back, the shoes and handbags and we cannot compete. They are beating us at our own game—not because of our lack of industrialization, but because of our tax and trade laws. Our Government is imposing burdens on our industry. We, the Congress, are permitting, even abetting this. After all of the years of reciprocal trade we still have not learned. I do not understand it. This is the thing that concerns me.

Mr. Chairman, at this point in the RECORD I shall obtain permission when we are back in the House to insert a list showing what has happened to material shipped out, from the crude product to the finished manufactured goods, showing how we are importing the high-level content goods, and exporting low-level content goods, to our detriment in jobs and profit.

We do know from the record of the past 11 years, when U.S. duties were reduced on a massive scale in three major multilateral tariff negotiations under GATT—Torquay, 1951; Geneva, on the accession of Japan to GATT, 1954–55; Geneva, 1956—that under the concessions exchanged by the United States and other countries, U.S. imports of manufactures have increased at a more rapid rate than U.S. exports.

Our increases in imports have been in goods of high labor content. Conversely, our export increases have been in goods requiring less manufacturing labor.

[Value, in millions of dollars]

	1951	1954	1957	1960	1961	Percent change, 1951–61
1. Crude materials:						
U.S. exports	2,471	1,899	3,110	2,586	2,546	3
U.S. imports	3,365	2,413	3,211	3,014	3,152	−6
2. Crude foodstuffs:						
U.S. exports	1,401	741	1,332	1,639	1,897	35
U.S. imports	2,077	2,200	2,020	1,722	1,717	−17
3. Semimanufactures:						
U.S. exports	1,665	1,819	3,242	3,522	3,287	97
U.S. imports	2,459	2,313	2,920	3,092	3,084	25
4. Manufactured foodstuffs:						
U.S. exports	881	832	1,163	1,117	1,157	31
U.S. imports	1,022	1,117	1,272	1,566	1,602	57
5. Finished manufactures:						
U.S. exports	8,462	9,691	11,823	11,435	11,741	39
U.S. imports	1,896	2,196	3,527	5,258	5,075	168
6. Subtotal, 3, 4, 5:						
U.S. exports	11,008	12,342	16,228	16,074	16,185	47
U.S. imports	5,377	5,626	7,719	9,916	9,761	82

Source: Statistical Abstract of the United States, 1961, table 1210; U.S. Department of Commerce, WTIS 62-11, table 3.

What is the significance of these facts? Our export advantage is in articles with far less job-creating potential than the job-displacing potential of our imports.

Further reductions or elimination of duties will accelerate this unfavorable import trend. Consequently, the power to reduce duties 50 percent on everything would cause harm to the economy.

ANOTHER PROBLEM IS THAT OF PRICE CONTROL

Earlier, the administration frankly stated its intention to use the tariff reducing or eliminating authority of the bill to place pressure on domestic price levels to bring about lower prices. The significance of these declared intentions should not be underestimated. In an address in New York City on October 12, 1960, President Kennedy frankly acknowledged:

> Frequently imports may be only a relatively small percentage of our domestic market, 2 or 3 percent, but it breaks the price for the other 97 percent.

It is plain that the administration intends to use the considerable authority requested in H.R. 9900 to apply this principle of price control by increasing imports in broad product categories, as an experiment in price control both in domestic and foreign markets.

As for conflicts with other existing law, this bill violates the language of the Small Business Act.

Also we are in conflict with the Full Employment Act of 1946, and the Area Redevelopment Act.

Further, in this bill we are doing nothing about labor's monopolistic position. Labor continues to ask for increased wages to soak up any productivity increase. As a result, business cannot cut prices. How can our industry lower prices to meet the competition from abroad when labor has this monopolistic position that it enjoys today to keep prices from reducing? Industry is not competitive when labor demands for productivity increases in wages are constantly met.

Now I should like to talk about transshipping from or to Communist countries, and I hope Members will listen to me carefully. I listened to a gentleman in the well of this House who talked about the benefits of this bill because he said it strikes out Yugoslavia, Poland, and other Communist nations from the most-favored-nation treatment. That is true. I do not take that away from the argument. The present bill does that. But it does not go to the heart of trade with communism which is the transshipping through a third nation.

If you will look at page 2785 of the hearings you will see not only the documentation in facts and figures, but pictures of ads in Macy's Department Store where typewriters were being sold at extremely low prices. These typewriters were made in Czechoslavakia, shipped to Canada, covers put on them and then stamped "Made in Canada" and transshipped into the United States as a Canadian product. Meanwhile, our U.S. manufacturers are in trouble. This bill does not solve transshipping. Remember, the Communist nations pocket lots of U.S. money, take our market, and then have our money to buy other goods to strengthen themselves, even to weapons.

I should like to direct your attention to the case in which there was a deal between Italy and Russia on oil for Italy for pipes and valves for Russia which were obtained from the United States and then sent to Russia. This is the Mattei case. This bill, as I say, does not take care of transshipping.

So, if somebody says that you cannot vote for the motion to recommit, to extend the present law, because the trade bill before us will eliminate the Communists under the most-favored-nation clause, remember that argument, that it does not take care of transshipping.

So you do not begin to do the job by voting for this bill.

Under this bill, what has happened to oil? There are increased imports flowing into this country. See page 1785 of the hearings. And remember that oil is the only product that has been called necessary in the national interest for security purchases. Section 232 gives little assurance of good administration of oil import control being the same language which has permitted the endangering of our oil industry.

As to adjustment interest, this substitutes privileges for rights, when you get around to making allowances for Federal aid of this type. This bill gives carte blanche power to and puts the Government in business. I should like to read from the bill at this point to show you what now in the United States of America one man may do—the Secretary of Commerce. He may, if he chooses, "require security for any such guarantee, agreement, or loan, and enforce, waive, or subordinate such security."

Now if the company making the loan does not come through, according to the way the Secretary of Commerce wants, he may—and I will read the bill:

Assign or sell at public or private sale, or otherwise dispose of, upon such terms and conditions and for such consideration as he shall determine to be reasonable, any evidence of debt, contract, claim, personal property, or security assigned to or held by him in connection with such guarantees, agreements, or loans, and collect, compromise, and obtain deficiency judgments with respect to all obligations assigned to or held by him in connection with such guarantees, agreements, or loans until such time as such obligations may be referred to the Attorney General for suit or collection;

(3) renovate, improve, modernize, complete, insure, rent, sell, or otherwise deal with, upon such terms and conditions and for such consideration as he shall determine to be reasonable, any real or personal property conveyed to or otherwise acquired by him in connection with such guarantees, agreements, or loans.

And so it goes. Read it.

The Secretary of Commerce has all this power. Now, what do you think is going to happen to small business that does not have the high-powered attorneys and the ability to escape this kind of law, by legally dodging it in some way by getting around it, by making various products as large industry can do, instead of one product? Well, small business will be squeezed out by this bill under that kind of language. And the Government is in business in a big way.

This bill has in it the same thing that the tax bill had in it and the same thing that all administration requests seem to contain now, the carrot and the stick; the overt threat, do what the Government says, we know what is best for you, or take the consequences.

I should like to refer to page 28 of the bill to show how the bill attempts to subsidize inefficiency. Under this bill, you cannot get aid until you are bankrupt. I ask you to look at page 28.

Perhaps I should read the language at this point. It says:

In making its determination under this paragraph, the Tariff Commission shall take into account all economic factors which it considers relevant, including idling of productive facilities of the firm, inability of the firm to operate at a profit, and unemployment or underemployment in the firm.

I do not know how many of you gentlemen as businessmen have failed to operate at a profit for long and stayed in business, but small business cannot do it. So it must already be bankrupt before it gets aid.

As for the assistance, after a particular industry or firm has gone under, the workers can get 52 weeks of aid. Then 26 weeks of retraining and 13 weeks if over 60 years of age—as part of the 78—receiving pay at an amount equal to 65 percent of his average weekly wage or to 65 percent of the average weekly manufacturing wage, whichever is less.

I am referring to this now because nobody has explained the bill yet on the floor.

That means about $59 to $60 a week, and, in addition, $5 per diem, 10 cents a mile for transportation to and from the location where they are being retrained, no matter where it is, and a relocation allowance two and a half times the average manufacturing wage, which will be about $230. That is quite a total. Yet this applies only to heads of families, not the single men and those who can pick up, move, and retrain more quickly, just the heads of families. Does that makes sense? Those who have deep roots, home and family are less likely to be willing to retrain and move. Again, it is discriminatory.

Mr. Chairman, in this bill we have a conflict in adjustment assistance between area redevelopment, manpower retraining, and unemployment compensation. So I simply make this statement, which can hardly be contested, not in logic. This will mean Federal standards for unemployment compensation. I do not think it could be presented in any other way. Duplicate systems like these—Federal and one of them State, cannot exist side by side.

Besides unemployment compensation there are these other laws

Act	Eligibility	Amount	Duration
I. Area Redevelopment Act	A. Training: Unemployed or underemployed workers, residing in redevelopment area which has an approved economic development program, who are referred by local employment office (sec. 16). B. Retraining subsistence payments: Workers who are taking approved training (sec. 17(a)).	Average weekly unemployment insurance payment in State (sec. 17(a)).	16 weeks (sec. 17(a)).
II. Manpower Training Act	A. Training: Unemployed or underemployed workers (including workers in farm families with less than $1,200 annual net income) who cannot reasonably be expected to secure appropriate full-time employment without training, referred by local employment office (sec. 202(a)). B. Training allowances: [1] (1) Unemployed worker, (2) taking approved training, who has had (3) 3 years of gainful employment experience, and is (4) head of family or household.	Average weekly unemployment insurance payment in State, unless worker's unemployment insurance is higher; then he receives weekly amount of unemployment insurance for State duration, and drops to average weekly unemployment insurance payment for balance of training [2] (sec. 203(a)).	52 weeks (sec. 203(a)).
III. Trade Expansion Act	A. Training: No separate training program; training provided under Manpower Act. B. Trade readjustment allowances: (1) Worker adversely affected by imports, who is— (2) unemployed (totally or partially), who has had (3) 78 weeks of employment in 156 weeks immediately preceding separation, and (4) 26 weeks of employment (in 52 weeks immediately preceding separation) in adversely affected firm or firms (sec. 322), and (5) whether or not worker is taking training, so long as he has not refused training (secs. 322 and 327) (6) available and not disqualified under State law (sec. 325).	65 percent of worker's average weekly wage or 65 percent of average weekly manufacturing wage, whichever is less (sec. 323(a)).	52 weeks plus (1) up to 26 additional weeks if necessary to assist worker to complete approved training or (2) up to 13 additional weeks to a worker who has reached his 60th birthday on or before date of separation (sec. 324).

[1] Youths over 19 and under 22 must meet conditions (1) and (2) only (sec. 203(c)).
[2] $20 weekly maximum; total payable to youths limited to 5 percent of estimated total training allowances (sec. 203(c)).

Prepared by U.S. Department of Labor, May 9, 1962.

As to amendments, this bill does not give us a chance to amend. I have here tissue paper copies of all amendments asked of us by witnesses. We had only a few amendments. They were voted up or down almost entirely on a party line vote and frequently by proxy. Many times only the chairman and one or two members on that side were present. I do not want to be unduly critical or partisan, but if the chairman is there and he has proxies from some other members, how do those men know what they are voting for? And there were only 10 Republicans to 15 Democrats. But here are the amendments for you to see. The Teamsters have some excellent amendments, particularly on strengthening the peril point and the escape clause provisions and others, but we could not take time to get into those, or at least we were voted down. But this should not be a political issue. Yet, our efforts to amend the bill were summarily prevented.

Related to the minority views, what we ought to do is to continue the present law for 1 year for these reasons. Let us see what the 20-percent cut does to us in the next 2 years. Let us restore the bargaining power that is under the present law, through use of peril point, escape clause, and retaliation against quantitative restrictions. Let us demand now the show of reciprocity we keep saying we believe in but do not get from others.

Do you realize that many of these other nations have said that they have a dollar shortage and refuse to cut their tariffs, after going through the paperwork with us and saying that they would cut their tariffs? They say they have a balance-of-payments problem, but they do not have the balance-of-payments problem we do. Look on page 3 of the International Monetary Fund report.

Then I think we ought to check and get awfully hard-nosed about the quantitative restrictions and say to the rest of the world, "All right, Uncle Sugar has been good up to now, but from now on we want reciprocity, and you start first, because we are the lowest tariff Nation in the world. If that does not work, we will demand an enforcement of GATT, preventing quota and other restrictions."

Of course, we ought to examine GATT, and give it legitimate parentage by congressional approval or discover and expose its shortcomings. Congress has not OK'd it yet. Secondly, if GATT is not enforced, let us raise the tariffs. If that will not do, let us impose quotas. But let us do something to protect our industry since our sweet spirit of reasonableness has not resulted in reciprocal concessions.

Let us look some more at the Common Market. No one knows what nations will be involved. Will there be just the inner six, or will the outer seven countries be included? Will Britain come in? Britain will have to raise its tariffs to come into the Common Market. Is that freer trade? This bill is a misnomer.

I think we will have to look into the most favored nations clause. More than this, we ought to make a study in the Committee on Ways and Means and other committees of the balance of payments, the deficit position, the spending we are doing, the unstabilizing of our market, and come back in a year with a bill that stands up in a world that is trying to make fools of us, because they are trading us out of our business and our profits all the time, and then retaliating against us when we ask reciprocity. It is like the philosophy behind foreign aid. I am opposed because I am for the lasting and sensible values of the Constitution. To me that is constructive.

Specifically, I recommend that we establish a congressional commission, adequately staffed on nominations by the majority and the minority members of the Ways and Means Committee and the Senate Finance Committee, to make a comprehensive study of all the factors relating to our foreign trade position, including: first, the development of the EEC; second, our balance-of-payments situation; third, the state of foreign reserves of dollars, and the extent to which these reserves could be urged to return in the form of payments for exports; fourth, discrimination against U.S. exports; fifth, the use by the President of statutory and trade agreement remedies to counteract discrimination; sixth, the effect of discriminations against exports of third countries on the volume of imports into the United States; seventh, the practicability of further tariff concessions under most-favored-nation rules considering the situation of low cost countries vis-a-vis EEC concessions; eighth, the extent to which restrictions imposed by EEC countries against low-cost countries forces excessive volumes of imports from the latter into the United States; ninth; an analysis of inflationary influences created by Government policies affecting the cost position of U.S. industries vis-a-vis their principal foreign competition; and tenth, an analysis of foreign and domestic costs and prices from the point of view of the adequacy of existing U.S. tariffs to make fair competition in the U.S. market possible.

So let us extend present law 1 year and get to the heart of the problems confronting us. H.R. 11970 does not do this.

(Mr. FENTON asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. FENTON. Mr. Chairman, adoption of the Kennedy administration's proposal in H.R. 11970 could result in one-man dictation and control over our vital trade policies.

Congress has the duty, responsibility, and obligation to the people of our country to write adequate safeguards into any legislation to prevent undue and unjust circumvention of any authorizations by any branch of the Government.

This is another attempt by this administration to grab more power and central Government control in Washington.

Unlimited tariff cutting powers, coupled with a continuance of the Kennedy administration's cheap import policies will increase unemployment and greater economic distress in the Nation's anthracite and bituminous coal producing States.

Never in my life, and especially my more than 23 years in Congress have I seen any administration on a local, State, or national level recommend legislation which the bill itself admits will create unemployment.

If the President is given unlimited tariff and trade powers, and we join the European Common Market as he advocates, there is hardly any segment of American industry and business which wouldn't be hard hit by such disastrous and ruinous trade policies.

It would weaken instead of strengthen our fight against communism. We will be inviting the economic disaster with which Khrushchev has said he would "some day bury us."

The United Mine Workers of America in testifying before the House Ways and Means Committee on the administration's trade expansion proposals have asked Congress to put a permanent and rigid quota on imports of residual fuel oil.

The Honorable Thomas Kennedy, international president of the United Mine Workers of America, told the Ways and Means Committee that residual oil imports have brought uncertainty, unemployment, underemployment, and actual physical need in the coal industry.

Imports of oil are now equivalent to 39 million tons of coal, and the figure it is said will increase to 44 million tons in the next year. This means a loss of 3 million man-days of work to the coal miners, and a loss in wages of almost $73 million.

The mine workers' president in a very able and authoritative manner further informed the committee that the oil imports are inflicting damage to the coal industry and sending America along the road to utter dependence on foreigners for a source of energy.

The mine union chief also told the committee that men who ask nothing but the right to earn a decent living, have been thrown out of jobs without any hope of reemployment because of residual oil imports.

It was also pointed out that American coal can compete with foreign coal but is shut out of many countries who refuse to permit their own industrial life to be destroyed by imports from another nation.

Mr. Chairman, as you know, we have been fighting to stop the unrestricted flow of this residual oil into our country because it is continuing to ruin one of the Nation's basic industries—coal.

However, as I have pointed out before, if the Congress surrenders its constitutional rights and obligations to any one individual and we join the European Common Market there isn't a segment of American industry and business which will not be hurt.

Mr. Chairman, we are not only interested in trying to save our coal industry, but are vitally interested in every segment of our country to protect our own industries and business enterprises and thus avoid further unemployment being created by cheap foreign imports.

I have received hundreds of protests against this bill from Berks, Schuylkill, and Northumberland Counties in Pennsylvania, as well as other sections of

the country, and not one single request in support of the legislation. These protests come from a diversity of firms and workers, and to mention just a few include coal, steel, aluminum, textiles, lumber, candy, plastics, and canners. They all will be hurt if this legislation passes, and the unemployment rolls will increase.

It is an incredible and astounding fact that right in Washington, at the Pentagon Building, when our Government asks for bids on aluminum sheet and plate, for example, for direct use by our military forces, 95 percent of the orders bid on by foreign aluminum sources go to the foreign suppliers.

The foreign aluminum peddlers simply cut the throats of the American producers when it comes to price. Our aluminum industry is helpless and unprotected against this steady onslaught of metal produced by low-paid oversea labor. And, the foreign countries thus invading our markets buy little or none of the metal produced by the aluminum industry in the United States. They won't let us in. Worse, they keep raising the barriers higher and higher.

Yet the administration trade bill proposes that we lower our barriers even further to these foreign invaders, and asks for the power even to eliminate them altogether.

Title III of this bill sets up special Federal unemployment benefits for unemployed workers, retraining of such workers, and assistance to firms certified as damaged by increased imports.

As I have already stated this bill itself admits that if adopted into law unemployment will increase. It could result in a complete economic catastrophe.

According to the bill as reported by the Ways and Means Committee, workers unemployed because of increased imports would receive 65 percent of their weekly earnings up to 65 percent of the average national industrial wage. Maximum benefits would be around $61 a week. Benefits would continue for 52 weeks and can be extended another 26 weeks if the person is undergoing retraining or is over 60 years of age.

In contrast, a domestic worker who becomes unemployed because his employer might be a supplier to a firm closed down by foreign imports, is limited to State unemployment compensation. If he is located in Pennsylvania, the maximum allowable is $40 a week for 30 weeks.

If both types of unemployed workers were to take retraining, the difference is even more pronounced.

The individual taking the training under the foreign trade bill would receive $61 a week for as long as 1½ years. The other worker under the Manpower Development and Training Act passed by the Congress earlier this year would only be entitled to benefits equal to the average of the last quarterly State unemployment compensation benefit payment. Under current conditions in Pennsylvania this would amount to about $32 a week for 52 weeks.

In other words, this bill would give preferential treatment to workers who the bill admits would become unemployed because of foreign imports. This is certainly a grave injustice to other unemployed domestic workers who are also idle through no fault of their own. This is highly discriminatory legislation which would be created by the Government itself.

For many months the Kennedy administration has been making much ado that England will join the European Common Market, and to protect our worldwide interests we should do the same.

Just as recent as May 25 Lord Beaverbrook, London's Canadian-born newspaper magnate, let the cat out of the bag when he publicly advertised in his newspapers that—

> He (Kennedy) and his emissaries are trying to thrust us into the Common Market.

Lord Beaverbrook said President Kennedy had made perfectly clear that "the Common Market was first of all a political organization of which the economic aspect was secondary."

Beaverbrook in his statement said:

> The President thinks Great Britain's membership in the Common Market would strengthen the Western alliance against communism. We shall not be a stronger ally but a much weaker ally for the United States if we join (the European Common Market).

Mr. Chairman, it is very important to note that on Monday, June 4, the very day the House Ways and Means Committee approved the Trade Expansion Act, dispatches from Brussels, Belgium, announced that the Common Market decided on that very day to raise its tariffs sharply on five American industrial products in retaliation for recent U.S. boosts in tariffs on carpets and glass.

It was very clear from the reports from Belgium that the six European Common Market nations—Belgium, West Germany, Italy, Holland, Luxembourg, and France—raised their duties with an eye-for-an-eye vengeance against the recent American tariff increase.

Mr. Chairman, passage of this bill can only result in economic chaos. I urge the Congress to vote down H.R. 11970.

(Mr. HARVEY of Indiana asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. HARVEY of Indiana. Mr. Chairman, it is my firm conviction that the Kennedy administration would seriously cripple American industry, as well as labor, if it is successful in having H.R. 11970 enacted.

It seems that the President is willing to jeopardize the jobs and livelihood of millions of American laborers. Although the European Common Market may have some impact on our economy when it is put into full operation, no one can predict how unfriendly it will be to the United States. I am in favor of continuing the present law for at least 1 year, to give us an opportunity to enact equitable legislation in view of our status relative to an operative European Common Market.

As the administration bill is now worded, the President would have the authority to adjust tariffs, although the Constitution vests this power in the hands of Congress. I oppose the blatant grab for more power in the Foreign Trade Bill as I have opposed other recent attempts to place more power in the President's hands. We have seen in the past months a concerted and vicious drive to nullify the power and integrity of the U.S. Congress. We can ill afford to allow one man, no matter his name or political affiliation, to exercise such dictatorial powers as Kennedy has been demanding and requesting of the Congress.

I have offered two bills which would protect two important segments of U.S. industry—zinc and oil. I am especially concerned about greatly increased imports from Communist countries. An example of this concern is Yugoslavia, from whom we imported 768 tons of zinc in 1960, more than three times the next highest amount of zinc imports—243 tons from West Germany. The average wage of Yugoslav workers in this industry is 31 cents per hour, very significant in comparison to the average wage of $2.45 for American workers in the same industry.

My bill on oil is designed to protect America's present supply and to give incentive toward continued exploration for oil deposits. Without this, our present supply will be exhausted in a relatively short time and we would have to rely on the whims and vagaries of foreign suppliers. Because of the uncertainty of supplies in the event of war, our oil industry should be given at least equal consideration with other industries which are so closely allied with our defense and deterrent activities.

It is ironic that the Kennedy administration is putting on such a drive for expanded trade when this country is already over 95 percent self-sufficient. This figure is an increase since the first legislation of this nature was passed in the 1930's, when we were approximately 90 percent self-sufficient.

I deplore the administration not permitting amendment of H.R. 11970. Coming before the House under a closed rule, we have no chance to even improve the proposal before voting on it. Both industry and labor will be harmed by the President's bill, and I do not want legislation which will be harmful to either. Either we protect the interests of both important groups, or we shall injure both groups—perhaps too seriously to repair the damage in the future when the inevitable crisis would arise.

Mr. MILLS. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. KEOGH].

(Mr. KEOGH asked and was given permission to revise and extend his remarks.)

Mr. KEOGH. Mr. Chairman, the members of the committee this afternoon have, I think, had an opportunity to witness one of the great debates in this Congress. I am delighted to recall to you the able presentation that was made by the distinguished majority whip in opening this debate. He has given to the Committee of the Whole a very high-level, intelligent, and realistic presentation of what is involved in this

bill. He has done very effective work in helping shape this legislation that he has presented to us on behalf of those of us who are privileged to serve with him on the Committee on Ways and Means under the astute and able leadership of our great chairman.

Our members, Mr. Chairman—all of them—are the reasons why the sometime seemingly burdensome work of our committee is made more attractive and somewhat palatable. I am delighted to note that in his opening statement, the majority whip elevated this debate to the high plane on which, for the most part, it has been maintained by those who followed him.

Mr. Chairman, every once in a while in the life of this Nation an opportunity comes for its leaders to fashion out of the confusion of current events a clear and bold action to show the world the ideals and principles for which we stand.

Thomas Jefferson took such an action when he negotiated the Louisiana Purchase with France, asserting in one bold stroke America's destiny to expand to the Pacific and become a continental Nation. Franklin Roosevelt took such action when he told the Nation in the depths of the great depression that "the only thing we have to fear is fear itself." Harry Truman took such action when he proposed the Marshall plan to save our wartime friends and foes from chaos and communism.

Such an opportunity is before us now. In Europe today a great adventure is underway—one which understandably has attracted great attention here in the United States. Six nations have decided that their future security and well-being require that they become one economic unit, much as the Thirteen American Colonies decided more than 170 years ago. France, Germany, Italy, Belgium, Holland and Luxembourg are fast becoming as closely knit as the 50 States of our Union. They have begun by forming an economic union and they will move to closer political union.

This adventure has been so successful that the British Government is now deciding whether it must end centuries of isolation from the European continent and join this new Common Market as a full member. If this comes about, and with the promised membership of other, smaller European nations, Europe will be well on the way to an economic union of almost 300 million people—larger even than our own. In our lifetime we may well see a United States of Europe emerge in the Old World.

Nothing has happened since the Marshall plan to illustrate so dramatically the power of the principles of freedom—and nothing has so dramatically refuted the cynical prophesies of communism. The mere prospect of competing freely in a common market has brought a vitality to the old economies of Europe never before seen in their history. In the first, formative years after the decision to try to form an economic union was taken, trade among the member nations of the Common Market doubled. Together the economies of the group have been expanding at a terrific rate, well over twice as fast as the recent rate of growth in the United States. Old Europe today is staking a claim to the title of New World in the 1960's and making a mockery of communism's claim to be the wave of the future in that part of the world.

Nothing confuses the Communists quite like Western unity. And when, as with the Common Market, unity comes about as the result of a resurgence of capitalism—that really makes the Communists uncomfortable. They have already started to threaten the small nations—Austria and Finland for example—on the fringe of Western Europe who wisely want to associate themselves with the Common Market. We can expect them to do everything they can to stop this movement. Mr. Chairman, I predict that they are too late. There is too much momentum behind the idea of the Common Market now.

I predict further, Mr. Chairman, that their lateness will be aggravated by the favorable action which this body will take on the pending bill which, in my opinion, transcends in importance any piece of legislation that has or will come before this or future Congresses.

I have said that there is an opportunity before us to take a clear and bold action to show the world anew the ideals and principles for which we stand. The Common Market gives us that opportunity. Organized according to the principles of free enterprise which guide our own economy, reaping the rewards of economic progress which inevitably come when these principles are put into practice, the Common Market makes it possible for the first time for us to form a partnership of true equals to share the burdens and responsibilities of freedom's cause around the world.

Our Nation has never sought satellites to do our bidding in international affairs. We have sought instead free and independent allies to work in voluntary association with us, and to share the burdens and rewards of free world leadership. We have the opportunity to form such a partnership with some of oldest and stanchest of our allies, who together are, at least potentially, our equals in economic strength. Out of this partnership, including as it would the bulk of the productive resources of the free world, can come the resources and the skills to write a future more hopeful than even the wisest of our leaders thought possible just a few years ago. The partnership has the power to remove forever from peoples' minds the idea that there is no escape from the miseries of poverty except at the cost of individual liberty and self-respect.

The opportunity is there. What of the action? Our association with our European allies already has an elaborate framework. We have the North Atlantic Treaty Organization through which we work out in common the military problems of the defense of the free world. We have the Organization of Economic Cooperation and Development through which we reconcile our economic policies and are beginning to share more equally the burdens of aiding the underdeveloped countries of the world who are trying to engineer, in freedom, and escape from poverty. We have plenty of superstructure. Now we have the opportunity to add to the substance of our alliance. As the President indicated in his state of the Union message in January, we can offer a trade agreement through which each of the great markets astride the Atlantic can impart new vigor to the other, new economic strength with which to support the many enterprises which free nations must undertake today to remain free and prosperous.

Never has the opportunity to talk trade held so many potential benefits for the United States. Politically, the relations among free nations, particularly among ourselves and our European allies, start with good trade relations. Here at home we say good fences make good neighbors, and indeed they do. But between ourselves and our friends in Europe trade fences—tariffs and other trade barriers—have been over the years a constant source of dispute and division. This is particularly true now. The very act of forming the Common Market results in trade discrimination against American exports. That is because while they are eliminating tariffs among themselves, they are replacing them with a common external tariff around the Common Market, just as we have a common tariff around our 50 free trading States. Where today, American farm and factory exports compete on equal terms with, let us say, French exports in the markets of Germany, Italy, and Holland, tomorrow all of our European competitors will have free access to each other's markets while we will have to compete over the external tariff.

If we sit by and let this discrimination develop, our trade will suffer. We have been exporting each year to the members and prospective members of the Common Market about $2 billion in farm exports and more than $4 billion in factory exports in recent years. We are not about to lose all this good busines no matter what happens. But if we cannot negotiate down the external tariff wall around the Common Market, it will become more difficult to maintain this volume of exports. More important, we will be cutting ourselves off from the greatest opportunity ever for American farms and business to sell overseas and greatly increasing the chance as well that we will grow apart politically from our European allies.

Let me say just a few words about the economics of this new situation:

When you talk about exports today, you are talking about big business and one of the most important kinds of business in our country. We exported in 1961 in the neighborhood of $20 billion worth of American products. Others have related these billions of dollars to sizable percentages of our agricultural crops and of our production of industrial goods and machinery. But let me, if I might, concentrate on an aspect of international trade that often goes unheralded. The port of New York district, which includes northern New Jersey as well as the city of New York and large portions of New York counties of Nassau, Westchester, and Rockland, depends on the flow of our foreign trade as the very

foundation for its entire economy. The importance of oversea trade to the whole Nation is reflected in the size of the figures at New York City and the number of people in that great city whose very livelihood is dependent upon the movement of goods in international trade. I speak, of course, of the shippers, handlers, forwarders, insurers, bankers, and the many other businesses in the port area who perform such valuable service to the Nation in keeping this flow of goods in international trade at a peak ebb.

At least 430,000 people in the port district are directly employed in the many different business activities that participate in foreign trade. They earn over $2.1 billion a year. In marine transportation there are 66,400 jobs; service auxiliaries of marine transportation, 65,200 jobs; marine construction, 34,100 jobs; trucking, railroading, and warehousing, 40,400 jobs; port business activities and financing, 96,000 jobs; and industries dependent on the operations of the port provide the economic basis of the livelihood of 1 out of every 4 persons who live in the New York-New Jersey metropolitan area.

The movement of our oversea trade through our harbor is estimated to afford the basis of more than 25 percent of the wages and other income generated in the port district of New York and northern New Jersey.

In recognition of the growing need to provide for the expansion of international trade the port authority and the city of New York have built and operate piers, docks, marine terminals, and airports that incorporate the most modern designs for the efficient handling of ocean and airborne commerce.

These new port facilities for the handling of our trade with the world represent an investment of almost $700 million over the past 15 years.

Industry and employment in our region is heavily dependent on our foreign markets and on the two-way flow of our foreign trade. In 1960, New York and New Jersey provided employment for 346,000 persons whose salaries from this export trade amounted to $2.3 billion.

During the same year, 1960, the dollar value of New York and northern New Jersey's oversea trade was $10.8 billion.

The port of New York's vital interest in encouraging and promoting foreign trade activities is dramatically reflected in current plans for a great World Trade Center in lower Manhattan. Bi-State legislation has been passed in the legislatures of both States authorizing the port authority to go forward with this $270 million project.

The basic purpose of the World Trade Center is to simplify, expedite and expand international commerce by providing participants in world trade with the most modern and efficient facilities available.

The World Trade Center will provide at one location all the services and agencies that American exporters and importers need for their participation in world trade. It will include U.S. customs services, foreign consulates, customs brokers, freight forwarders, importers, exporters, trade associations, and the many other Government and private agencies involved in the conduct of international commerce.

All of this construction and all of these plans and programs reflect the fact that the port district of New York accepts with confidence the challenge of the 1960's and demonstrates its willingness to serve in the great efforts that will be expended under the terms of H.R. 11970 in stimulating further America's foreign trade.

For a fuller discussion of the importance of international trade to the great port of New York, I commend the members of the committee to the testimony of the Honorable Austin J. Tobin, executive director of the Port of New York Authority, before the Committee on Ways and Means during the committee's consideration of H.R. 9900. Mr. Tobin's exposé of most of the points which I have just covered is convincing testimony of the vital necessity to the welfare and well-being of the people of the city of New York of a continuation of U.S. international trade on even a larger scale than we have seen in the past.

TRADE READJUSTMENT ALLOWANCES FOR WORKERS

Let me turn now to another part of the bill which has occasioned much discussion. The Ways and Means Committee bill provides for assistance to workers and assistance to firms as part of the set of tools for the President to deal with possible injury to U.S. producers arising out of trade agreement concessions. The record clearly shows that the historic provisions for relief by tariff adjustment, through escape clause actions, are not suited to all cases of import injury. The Federal Government's responsibility for the level of business and the level of employment is better discharged if we provide the President with more tools to deal with these import problems than it would be if we provided fewer or no tools.

We are, of course, confronted here with a trade bill—a bill, as I have described, aimed at liberalizing trade among the nations of the free world. This is not an unemployment compensation bill, an aid-to-distressed-areas bill, a subsidy bill, or any other of the myriad things it has been called.

It is also basic that there are certain tariffs of the United States, which the bill authorizes the President to reduce, which are protective tariffs and which have the effect of limiting imports. The foreign tariffs that we expect to bargain down do the same thing. By restricting imported goods, tariffs operate to protect U.S. firms who produce competitive goods and the jobs of the workers employed by such firms. In essence, the Government is providing an umbrella which protects the firms and workers from competition from imports.

The bill proposes to authorize the President, in the interest of an overall expansion of international free world trade to lower this umbrella somewhat and permit more imports to enter the U.S. market. Similarly it is quite clear that we expect to obtain reductions in tariffs and trade restrictions that "protect" some foreign producers against U.S. exports.

The question is what, if anything, is the Government's duty or obligation to those firms and workers whose operations and employment may be injured by the reduction of this governmental protection.

In the first place, if the firms and workers involved are not seriously injured by the implementation of the national trade policy, then, of course, there is no case for governmental action and the bill provides for no such action. And this circumstance, I feel strongly, will prevail in the greater number of cases where action to relax import barriers will result in increased imports. America's greatness stems from the ability of her workers and industries to meet competition and by ingenuity and enterprise to profit from such competition. And this is so whether the competition comes from across the street or across the ocean. Frankly, Mr. Chairman, I pall when I hear the cries of anguish emanating from those who, apparently, have lost confidence in the greatness of America and the ability of her people to rise to meet any occasion.

Nevertheless, there will be some firms and some workers who may be hurt. What should we do for them? Or, should I say, what are we obligated to do for them? The latter, of course, is to the point. Having set up the fences which we now propose to lower or remove, we have the obligation—in equity and good conscience—to assist these affected firms and workers in meeting the new situation which the Government will permit to come about.

Now, as to the workers who may be hurt, what does the bill propose? A handout? No. A system of relief? No. A concrete approach to enable these workers to adjust to import competition? An emphatic "Yes." Could the Government do less than this?

We must not lose sight of the fact that the bill authorizes adjustment assistance to workers whose industry is seriously injured by imports. The bill does not propose to distribute worker assistance or firm assistance broadside. It is required that there be a finding by both the Tariff Commission and the Executive that the injury or threat thereof is serious and resulted from increased imports which in turn resulted from trade agreement concessions. As a practical matter, I might make the point that it will not be in the interest of the administration to overexaggerate the import employment problem in order to pay out more worker benefits.

Workers entitled thereto will be given an adjustment allowance which will be geared to a training program. The allowance will be 65 percent of their weekly wage or the national average manufacturing wage, whichever is lower. In most cases, this allowance will be accompanied by an intensive training program which will be aimed at getting these workers trained in skills which will enable them, in as short a time as possible, to take their rightful place in the economy. Contrast this to the fact that unemployment compensation is geared to

the needs of the temporarily unemployed worker and we immediately see the important differences. These allowances are readjustment payments, not unemployment compensation. They are paid, not to tide a worker over a lull in his employment but, to assist him in attaining new skills and talents to be applied in a new job.

In most cases, this will involve a permanent adjustment and not a temporary interruption in the practice of the worker's old skills. Many import-affected workers will have little prospect of returning to work with their former employers or of finding another job in the same industry or one that utilizes the skills they possess. This situation means that the adjustment of such workers will be more prolonged than that of the average unemployed worker and creates a special need for retraining.

Regular unemployment benefits are not intended to be a mere relief program for the prevention of destitution but they are intended to be related to the worker's ordinary standard of living. The precise level of unemployment benefits in State programs is usually analyzed in terms of postponable expenditures and the duration of unemployment benefits is related to a period in which a worker should be able to get a job if he is seriously trying to find one.

A longer duration of benefits is necessary not only in view of the greater difficulty of finding new employment but also to accommodate a period of retraining. This longer unemployment period itself raises problems of the benefit level. For a short period the purchase of some items can be postponed. This would be true, for example, of clothes but during a long period of unemployment some of these alleged postponable expenditures shift to the necessary category. During the longer period, the worker's own resources become depleted and he has less to fall back on to supplement the ordinary level of State unemployment benefits.

In these circumstances, a basic benefit rate of 65 percent of the weekly wage is proper. It must be remembered that the worker will be denied even this benefit if he refuses training without good cause and it is the intention of this program to provide the worker with such training that he can become again a highly productive citizen. The employment problem will not be solved if workers refuse training with the thought that they can get equivalent benefits by remaining on the State unemployment insurance, supplementing this with occasional weeks of employment in relatively low-paying jobs.

Normal unemployment compensation benefits applied to workers affected by trade will fall far short of meeting the nonpostponable expenditures of these workers, particularly in view of the extended duration of unemployment during retraining.

It is intended in the general concept of the committee bill that trade adjustment assistance is to be a real alternative to tariff adjustment. It has been clear in the past that in some situations where the Tariff Commission has found injury to an industry both Republican and Democratic Presidents have found tariff adjustment to be an inadequate remedy. While the committee bill preserves the possibility of tariff adjustment, we want to provide another remedy that will be a real alternative. This real alternative will not be provided by a provision that workers affected must rely on the normally available unemployment insurance benefits even though these benefits might be quite inadequate to their problem.

At this point let me make it clear that the trade adjustment provisions of H.R. 11970 are not an attempt to federalize the unemployment compensation system. In fact, the report of the Ways and Means Committee states emphatically that adjustment assistance for workers has not been proposed to establish a precedent in the unemployment compensation field. Instead it is only intended as an alternative to the job protection now afforded to workers through the medium of tariffs.

As President Kennedy has said, trade adjustment assistance "is a constructive, businesslike program of loans and allowances tailored to help firms and workers get back into the competitive stream through increasing or changing productivity. Instead of the dole of tariff protection, we are substituting an investment in better production."

Under these circumstances, workers should be afforded adequate assistance to make the necessary adjustment.

Besides those points I have already made, State unemployment compensation laws do not cover all persons who may be unemployed as the result of import competition. For example, almost no agricultural workers are covered by such laws and many employees of small firms are not covered.

Since assistance in addition to that generally available to workers is required for an adequate adjustment to imports, H.R. 11970 includes provisions to insure that the additional assistance would only be provided to those clearly entitled to it. For that reason the bill contains detailed provision for identifying import-affected employment. It also establishes eligibility standards calling for a length of attachment to the labor force and to import-affected employment which are much stricter than any existing in State unemployment compensation laws. Incidentally, this concept of stricter standards for higher benefits is one frequently followed by the States. Moreover, in line with its emphasis on training, the Trade Expansion Act disqualifies workers from receiving trade readjustment allowances if they refuse training to which they have been referred without good cause. Such a disqualification from unemployment compensation for refusing training exists only in the laws of three States.

When a duty is maintained and U.S. workers and firms are sheltered by the protection such duty gives, the Government, in exercising its unquestioned right to reduce or remove such duty ought not to be indifferent to the consequences flowing therefrom. We have an obligation to those whom we protected to assist them in making an adjustment to new conditions in as smooth a manner as is possible. The bill, H.R. 11970, recognizes this obligation and meets it with a positive, constructive approach. I urge the members of the committee to reject any attempt to shirk from this responsibility.

We would be unrealistic in thinking that we can deal with these problems by never reducing tariffs where there might be injury to U.S. workers. Despite the presence of a peril-point machinery and an escape-clause machinery, there has in the past been injury to U.S. producers.

The bill preserves all of the procedures for peril-point and escape-clause actions. Without sacrificing these, it supplements them. This supplement is required in justice.

TRADE ADJUSTMENT ASSISTANCE FOR FIRMS

Mr. Chairman, as you know, firms which have been found to have undergone serious injury, due to increased imports resulting from a trade-agreements concession would be eligible for assistance from the Federal Government in three forms:

Loans by the Government, or Government guarantees of private loans.

Technical assistance of a variety of sorts—market analyses, management and efficiency studies, research and development of new products or techniques, and the like.

Tax assistance, in the form of an extension of the present "loss carryback" period from 3 to 5 years which will enable some firms to obtain a refund on their past tax returns to cover current losses.

I am convinced that firms which have experienced serious injury as a result of trade agreements concessions deserve some sort of special assistance by the Government. For their injury has proceeded directly from deliberate action taken by the Government—action which is designed to benefit the national economy as a whole, but which at the same time may possibly bring certain ill effects that fall upon a few firms or industries. As the President has said in connection with this bill, no one ought to be sacrificed to the national interest. The burden of economic adjustment to new conditions of expanded world trade should be borne in part by the Federal Government.

In the course of future trade agreements, as we lower certain of the walls of tariff protection which our domestic firms have become accustomed to, I believe we should be prepared to assist in the adjustments which national trade policy may make necessary. That is the role of the new adjustment assistance program.

This program has avoided some of the special dangers which Federal assistance might under other circumstances invite. It is constructive in purpose and tailored to meet the particular problems faced by firms challenged by import competition. Yet it has been drawn up on a businesslike, realistic basis: no assistance will be furnished a firm until its eligibility has been carefully scrutinized and unless its prospects for successful adjustment are reasonably good. All financial assistance will be on a repayable basis. There

are no outright subsidies in this program—even loans are granted only for a limited set of constructive purposes.

The types of assistance have been limited to those most useful in the promotion of successful adjustment of a business enterprise. To appreciate this point, it is necessary to look at some of the forms which adjustment may take.

It may be possible, first of all, for a firm to modernize its productive methods and thereby achieve a degree of efficiency that enables it to meet foreign competitors' prices. New, automated equipment or a reorganization of the productive process or a new approach to marketing and distribution—all these may resurrect the firm's competitive strength.

A firm which produces several product lines and is faced with import competition in one or more of them may be able to switch its "product-mix," emphasizing those products which are least vulnerable and thereby eliminating the injury.

Alternatively, such a firm may want to improve its product or develop an entirely new product in order to compete successfully. A good example of this is a southern wood products company which recently began to feel the competitive pinch of hardwood lumber from the Far East. After a careful analysis of the problem, the firm developed a new product—a type of flakeboard—which has met with much success.

Companies which are faced with import difficulties and are contemplating adjustments such as these will have two major requirements: Capital resources to devote to improvements of plant and equipment, and technical expertise and advice in order to devise and carry out the most effective adjustment plan possible. The trade adjustment assistance program in H.R. 11970 would help meet these two requirements.

Liquid capital would be made available to eligible firms in the form of loans on quite favorable terms, or Government guarantees of or participation in private loans whose terms would as a result be more favorable than otherwise. Firms currently operating at a loss due to the effects of tariff concessions could be certified for immediate refunds of past taxes by computing current losses against their tax returns of up to 5 years in the past. This is an extension of 2 years beyond the ordinary 3-year loss carryback provision of the Internal Revenue Code.

Technical assistance would be provided either for the purpose of formulating an adjustment plan or of carrying it out. It would be furnished by Government agencies when appropriate or by private organizations or individuals contracted by the Government for the purpose. The cost of this assistance will be shared by the firm that receives it if this is determined to be appropriate.

This strikes me as an extremely realistic program, which will stimulate creative adjustment while at the same time guarding against unwarranted outlays of public funds. The criteria for eligibility for such assistance are strict: An applicant must satisfy the Tariff Commission that it has experienced, or been threatened with, serious injury resulting from trade agreements concessions. It must satisfy the Secretary of Commerce that its adjustment plan is reasonably promising of success and that the firm will make the maximum possible use of its own resources in the course of adjustment.

Given these careful standards, the program will not be vast. Present estimates are that in the course of the first 5 years of the program, about 700 or 800 firms, may become eligible for such assistance, and that the total cost will be in the neighborhood of $150 million. This is an estimate for an entire 5-year period. I think this is a small price to pay for the benefits to the national economy of expanded trade.

I know that whenever a new program such as this is projected, a great many of us in the House are concerned that unnecessary additions should not be made to the Federal bureaucracy in order to carry out new functions. I share this concern, and I am satisfied that this trade adjustment program would be administered under existing agencies and assistance programs to the greatest possible extent. The Secretary of Commerce, when he has approved an adjustment proposal, would submit it to whatever agency, such as the Small Business Administration, he finds to be best equipped to provide the assistance required, using that agency's regular authority and appropriations. Only if that agency is not prepared to furnish such assistance would the Secretary of Commerce be empowered to provide financial and technical assistance under the provisions of the bill.

Therefore, new assistance authority and new appropriations would be used only after it has been made completely clear that no existing agency is equipped to furnish the needed assistance under its regular program. The trade adjustment program will not, I am confident, engender a large new bureaucratic structure nor will it duplicate existing programs.

Mr. Chairman, in dwelling upon the efforts that have been made to avoid duplication of effort and unnecessary spending under this program, we should not lose sight of its valuable contributions to the vitality and progress of our domestic economy. If we sincerely believe in a system of free enterprise, we must welcome responsible competition from our foreign trading partners. Import competition spurs our own producers to maintain a high technological level and to press for constant improvements in their goods.

The trade adjustment program fits closely into the competitive environment which is essential for the health of our economy. Unlike tariffs which simply erect a protective barrier against outside competition, the forms of assistance which I have just described will assist firms to meet the challenge of this competition and will strengthen their response. Only if the United States maintains its position as a leader of the world in productive talent and technology can we hope to keep our economy healthy and progressive. To a leader, competition should be welcome as a stimulus to continued advance.

I commend the trade adjustment program to you as a strong tool for successfully meeting our competition and for thus helping to accelerate our economic advance.

CONCLUSION

Mr. Chairman, I am certain that in the cold and deliberate calculation of the majority of the Members of this body that we shall not vacillate, we shall not delay, we shall not do that which it is proposed be done on a motion to recommit; namely, vote for a meaningless 1-year extension of the present act. The world looks to us and waits for us to join economically with our friends to show, once and for all, that those things for which we fight and die—the economic principles upon which this country has been founded—are right and will be carried forward. We cannot shrink our duty and responsibility to do that which will make us all stronger and better for the generations to come. I am that optimistic of the need and importance of this legislation, and I am that confident of the wisdom of my colleagues.

Mr. MILLS. Mr. Chairman, I yield 10 minutes to the gentleman from Missouri [Mr. KARSTEN].

(Mr. KARSTEN asked and was given permission to revise and extend his remarks.)

Mr. KARSTEN. Mr. Chairman, there are generally two sides to every question, and while there are differences of opinion between the members of the Committee on Ways and Means on this program, our differences are largely a matter of degree rather than of substance. The real opponents of this program are not those who would substitute a simple 1-year extension of the historic trade agreements pact, or those who might let the old law die for a similar period. The real opponents of this program are not those who would amend and strike out the Tariff Adjustments Act; in fact, Mr. Chairman, the real opponents of this program are not signatories to the committee report. This committee report contains six separate viewpoints. But again I say the differences are largely ones of degree rather than of substance.

In order to find minority views which go to the substance of the trade program that we have under consideration I was obliged to call the Librarian of Congress who sent me a copy of Pravda for May 23, 1962. This official Russian publication carried a statement by the Soviet academician, A. Arzumanyan.

It is in the nature of a minority report to the bill we have under consideration here. In view of the length of the article, I should like to read in translation only a few pertinent paragraphs.

This is from Pravda of May 23:

British ruling circles, having suffered a failure in their attempts to oppose the Continental Six (through) a group of seven small states on the periphery of the Common Market, have raised the question of joining (the) EEC. Their example has been fol-

lowed by Denmark, Ireland, and Norway. The process of the disintegration of the Seven has begun and is in full swing. The small countries of Western Europe are faced with the threat of being swallowed up by the Common Market, among them the neutrals, which the imperialist powers thus want to involve in the orbit of aggressive military blocs. Attempts are being made to "integrate" and bind to the imperialist chariot some African states—former colonies of the European powers, liberated or on the road to liberation from the colonial yoke.

U.S. ruling circles, which formerly played the role of behind-the-scenes producer of Western European "integration" * * * are also gradually beginning to change their tactics. Encountering competition from "little Europe" * * * they are seeking organizational forms of direct cooperation with the Common Market by means of mutual reductions in customs tariffs. The program of the formation of an Atlantic economic community, put forward by President Kennedy, gives a new scale and new features to "imperialist" integration.

Ruling circles of the United States and the Common Market countries figure that economic "integration" will enable the imperialist camp to attain a higher rate of economic growth. However, calculations that the Common Market is able to solve (the) economic and political problems of contemporary capitalism are built on sand. * * * It is not so much the Common Market which has accelerated the growth of the Western European economy as, on the contrary, the phase of industrial animation and upsurge which lay at the basis of the widely advertised achievements of the Common Market.

Hoping to soften the Common Market contradictions, its organizers facilitate the intensification of tension between East and West. It is not by accident that almost every step on the path of "integration" has coincided with moments of sharp exacerbation of the international situation, and the periods of comparative relaxation and reduction of tension coincided with the eruptions of contradictions in the Common Market. Thus the Common Market is aimed primarily against the peaceful forces of socialism and is very hostile to the cause of consolidating peace and security in Europe and the whole world.

I find Mr. Arzumanyan's comments very pertinent because they reflect the thinking of our real opponents on the European Common Market and our efforts to cooperate with that group, the opponents of our efforts to improve the status of the newly independent nations of the world. Mr. Arzumanyan is concerned because the Soviets know well what has been apparent to American leaders for a long time; namely, that a European system of many small weak nations, each fighting and differing with the other over such things as customs, trade, and tariffs, will be an uncertain partner with the United States in any kind of undertaking, joint, political, military, or otherwise.

Mr. Arzumanyan makes specific reference to the Trade Expansion Act and other developments in Europe. It does not take an expert on the Soviet Union to recognize that Mr. Arzumanyan is saying that the Soviets are deeply concerned about the revitalization of Europe and the prospects this bill holds for bringing the industrial might of the United States in closer association with these European countries through trade and tariff negotiations. The only thing the Soviets respect is strength.

Mr. Arzumanyan and his colleagues know that as we develop and join these European and American markets together, there can be only one result, and that is increased economic strength on both sides. His attack on this program can be considered an endorsement in the negative.

Mr. Chairman, to achieve the dual purposes that we set forth in this bill, the Committee on Ways and Means has proposed, in the legislation, delegation to the President, within lines clearly defined by Congress, authority to negotiate sizable reductions in tariffs, and the elimination in some cases, in return for commensurate and mutual benefits to ourselves. This negotiating authority is but one part of the proposal before us. The other part, and I regard it with equal importance, is the section dealing with trade adjustment assistance. In my opinion, we must retain both sections of this bill.

Mr. WAGGONNER. Mr. Chairman, will the gentleman yield?

Mr. KARSTEN. I yield to the gentleman from Louisiana.

Mr. WAGGONNER. On the subject of trade adjustment assistance, apparently this title was written into the bill with the avowed purpose, knowingly, that some businesses are not going to be able to survive and will fall by the wayside; is that not correct?

Mr. KARSTEN. The Committee on Ways and Means realistically approached this problem. The purpose of this bill is to stimulate trade both ways. It is going to affect some of our domestic industries from the standpoint of higher import competition. The trade adjustment assistance provisions are designed to assist those industries and workers who might be affected by the increase in imports.

Mr. WAGGONNER. Then, assuming some are going to fall by the wayside, could you tell me exactly which industries are going to be given the ax?

Mr. MILLS. Mr. Chairman, will the gentleman yield at that point?

Mr. KARSTEN. I yield.

Mr. MILLS. There is no one that could answer the question asked by the gentleman from Louisiana, because it is not the intention anywhere along the line that there be any purposeful giving of the ax to anybody or to any industry.

If, however, we had a bill in here that did not offer some degree of assistance one way or the other to the people who were injured, there would, I think, be a whole lot more complaint being made on the floor of the House than there is being made. This same arrangement has been developed within the European Common Market by those countries offering this type of assistance, and as they cut their duties completely between countries, they did this thinking there might be some injury. But, there has not been. There has not been any need of it there, and there may not be any need of it here.

Mr. KARSTEN. Furthermore, as to this program of Government assistance, it has been charged that this trade adjustment program is an attempt on the part of the Government to permanently intervene in the private sector of our economy. Now the fact is that the program goes in the opposite direction. After the adjustment has been made, this very provision will enable the Government to get out of our private economy. The alternative to adjustment assistance would be increased tariffs and quotas. Tariffs and quotas in themselves are a form of Federal control. They are a long-term form of Federal control in that they furnish no incentive or impetus for the industries to go out of their dependence on protection. I think between the two the choice is clear, and these adjustment provisions are an improvement in our trade laws.

Mr. WAGGONNER. Perhaps the expression "given the ax" was a bad one, but the point I make is this: If we do not know exactly which businesses are most likely to fall by the wayside, by reason of this tariff adjustment, then there is a certain amount of legislating in the dark here, and we cannot help but understand that the small industries of this country must have a certain amount of fear, realizing that they might come under this category.

Mr. KARSTEN. Admittedly there is a degree of uncertainty in some areas, but I believe the trade adjustment sections which are incorporated in the bill will go a long way to alleviating the situation to any small business that is affected.

Mr. MILLS. Mr. Chairman, will the gentleman yield further?

Mr. KARSTEN. I yield.

Mr. MILLS. I am sure that the gentleman from Missouri has, as the rest of us have, received letters from people complaining about the bill that would lead you to believe that the bill itself is reducing duties.

Mr. KARSTEN. Nothing could be further from the actual fact.

Mr. MILLS. That is right. The bill itself does not reduce any duty at all. It does authorize the President to do so on a reciprocal basis, and only after he has had the benefit of public hearings, not just one set of hearings but two.

Mr. HOSMER. Mr. Chairman, will the gentleman yield?

Mr. KARSTEN. I yield to the gentleman from California.

Mr. HOSMER. The gentleman mentioned the people who are likely to be hurt, and there are estimates of 8,000 being thrown around, and there has been mention made that really it will be a benefit by increasing exports by some of them.

Mr. KARSTEN. Let me respond. Our exports last year amounted to $20 billion. The purpose of this bill is to increase them. That means exporting and expanding. The purpose is to increase those exports, and if we can export $3 billion more next year, we will be that much further ahead in the matter of jobs.

Mr. HOSMER. What kind or type of exports would be subject to increase by this type of an arrangement?

Mr. KARSTEN. I think the whole gamut of exporting industry will be subject to increase under this bill, and possibly some that do not now export.

That is the purpose. It is the objective of the legislation to increase exports.

Mr. HOSMER. If the gentleman will yield further, obviously you are going to increase the exports of those people who are going to be hurt and go out of business and lose jobs.

Mr. KARSTEN. That industry, of course, is not going to export, and some firms probably will discontinue manufacturing here. There is no question about it. Some of them will.

Mr. HOSMER. Will agricultural products, industrial products, or electronics products be affected?

Mr. KARSTEN. It is estimated that there would be a dislocation of about 18,000 people a year over a 5-year period. I cannot identify those industries. I do not believe anyone at this point could do that, but there will be some dislocation. The purpose of the trade adjustment section of the bill is to try to assist those people. Instead of providing a tariff at the expense of the consumers, the objective of the trade adjustment section is to provide a program to enable these industries to rehabilitate themselves in a regular way and again become competitive.

Mr. HOSMER. If the gentleman will yield further, I understand that. But I was trying to pinpoint somebody who would be helped in the United States in connection with making exports to the nations of the European Common Market.

Mr. KARSTEN. The entire economy of the United States is bound to be affected and helped by an increase in exports.

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. KARSTEN. I yield to the gentleman from Arkansas.

Mr. MILLS. In answer to the question of the gentleman from California [Mr. HOSMER], I doubt that anyone could with any degree of accuracy say that this particular industry would increase its exports as a result of the passage of this bill. Frankly, we do not know what type of negotiations can be carried forward under the authority here. We do not know how much duties can be reduced abroad in turn for reductions here. Those things would have to be determined before anyone could know just which particular industry would be the principal gainer from this. But there are those who speak for agriculture, there are those who speak for industry, who are very strongly in favor of this program, because they feel that the program will lead to increased exports of agricultural products and increased exports of industrial products. Certainly, we know that if we did not have access to these markets in the future, as we have had in the past, and if someone has an advantage within those markets, there will be less opportunity for us to compete.

Mr. HOSMER. I thank the gentleman for yielding.

Mr. WHITENER. Mr. Chairman, will the gentleman yield?

Mr. KARSTEN. I yield to the gentleman from North Carolina.

Mr. WHITENER. The gentleman mentioned the figure of 18,000. Yet we are told that no one knows what industries will be affected. How does this figure come about?

Mr. KARSTEN. That was a statistical estimate that was furnished to the Committee on Ways and Means by the Department of Labor.

Mr. WHITENER. If the gentleman will yield further, in section 302 of the bill, subsection (a)(2), it says that with respect to industry that its firms may request the Secretary of Commerce to certify its eligibility for adjustment assistance. Subsection (a)(3) says that workers in the industries may request the Secretary of Labor's certification of eligibility to apply for adjustment assistance.

Does the gentleman conceive that we could have a situation where the Secretary of Commerce would be unwilling to recognize that an industry had been damaged by imports, and have the Secretary of Labor, on the other hand, ruling contrariwise as to the problem?

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. KARSTEN. I yield to the gentleman from Arkansas.

Mr. MILLS. The gentleman from North Carolina is referring to section 302 on page 31 of the bill. This provides for Presidential action following an industry finding of injury by the Tariff Commission. If the Tariff Commission determines—and it should be understood that the Tariff Commission must find with respect to the firm or the employee on the application of either or both that the industry's difficulties, the firm's difficulties, the employees' loss of jobs, is due to increased imports of an article which are due to a trade agreement concession.

In other words, a worker's unemployment must be related directly to this import situation and so found by the Tariff Commission. When the Tariff Commission tells the President that an industry is injured, then the President may provide first with respect to the firms that the Secretary of Commerce may certify the eligibility of that firm to apply for whatever adjustment assistance is available for firms. The President may also provide that the Secretary of Labor may certify groups of individuals in the industry as eligible to apply for adjustment assistance.

In other provisions of the bill, the firm seeking assistance has to develop an overall plan, and the Secretary must find that the assistance requested would meet certain tests. The firm may not be able to develop such a plan. Even in this case it is entirely possible that the Secretary of Labor could find that the employees themselves could qualify and they would be given some benefit. Both could qualify, or the situations could be in reverse.

But there is no opportunity for the Secretary of Labor to say that the workers in this industry are not entitled to this assistance program because they have not become unemployed as a result of imports. The Tariff Commission has done that.

Mr. WHITENER. Then are we to understand that once the Tariff Commission makes that determination any discretion on the part of the Secretary of Commerce and the Secretary of Labor is dissolved?

Mr. MILLS. That is not what I said at all. The discretion on the part of the Secretary of Commerce is with respect to the application and approval of the application for a specific firm when the Tariff Commission has found injury in the industry. There are certain standards set forth in the bill which must be met. It must be established that this firm has sustained or is threatened with serious injury by the increased imports which the Tariff Commission found to be affecting the industry. The Secretary also must be convinced that this particular loan applied for will accomplish the objective and purposes sought by the firm. There is the discretion. But there is no discretion on the part of the Secretary of Commerce in this instance to say whether or not this industry is in this condition because of imports. That is a decision made by the Tariff Commission. There is a long chain of events that follows wherein there is room for the exercise of discretion by the Secretary of Commerce with respect to the loan. They may turn him down, they may say that they do not qualify for the loan for some other reason.

Mr. KARSTEN. It is incumbent upon the firm to come forward with a plan and meet the standards set out; otherwise they would not get assistance.

Mr. MILLS. Exactly.

Mr. WHITENER. Mr. Chairman, if the gentleman will yield further—I think this is an important area of inquiry.

Is it the intent of the committee and of the author of the bill that this assistance for workers may apply to 1 worker or 10 workers; or is it the intent that there must be a finding that an entire plant or an entire segment of a particular industry has been adversely affected by imports?

Mr. MILLS. Mr. Chairman, will the gentleman yield further?

Mr. KARSTEN. I yield.

Mr. MILLS. There may be a plant using 100 employees, let us say, making 10 different articles in different subdivisions. The import that is hurting is with respect to one article. There are 10 employees who are discharged because the plant discontinues making that particular article. They cannot be absorbed in the production of the other articles. Those employees could be found by the Tariff Commission to have become unemployed as a result of imports of that article on which, of course, there had been a concession made by our country some time or other under a trade agreement.

Mr. WHITENER. Mr. Chairman, will the gentleman yield further?

Mr. KARSTEN. I yield.

Mr. WHITENER. May I give a specific state of facts? Let us suppose a textile yarn mill—and there are many of them—is in the production of both synthetic, or manmade, fiber yarns and cotton yarns.

If the imports affect cotton yarn by reason of the shipping in of finished apparel from abroad and stop off the cotton yarn section of a particular plant or take out just some of the employees, how do we contemplate that the Tariff Commission and the other agencies involved will resolve this question of whether the shipment of combed yarn cotton shirts from Hong Kong has caused a cotton yarn worker in a plant making cotton yarn alone and not the finished fabric or the finished shirt to be affected?

Mr. KARSTEN. This is a question of statistical information in the first place, the gathering of facts.

Mr. MILLS. The Tariff Commission would be faced with the determination of whether or not there was this direct causal relationship between trade concessions and imports of an article "like or directly competitive with" a domestic article. If the direct causal relationships between the concessions and the imports of a "like or directly competitive" article, and between these imports and the unemployment of the workers the gentleman has described is found by the Tariff Commission to exist as a fact, then there would be the relief provided in that case, but there must be those direct causal relationships.

Mr. WHITENER. So they would follow the manufacturer all the way down to the yarn level?

Mr. MILLS. If there is this direct causal relationship, and if there was the competitive relationship as defined in section 405 of the bill, they would have to reach that conclusion.

Mr. WHITENER. With reference to the cotton farmer, recently the Department of Agriculture has filed a section 22 application before the Tariff Commission in which it took the definite position that our cotton export program had been adversely affected by reason of the importation of cotton textiles from many points of the globe. Other agencies of the Government apparently do not agree with the Department of Agriculture. Is this relief-for-workers provision in the bill sufficiently comprehensive to assist a cotton farmer in Arkansas or North Carolina or Mississippi or California?

Mr. MILLS. First I should say that nothing in this bill affects, in any way, past, present, or future, proceedings under section 22 of the Agricultural Adjustment Act.

Under the tariff adjustment or other adjustment assistance proceedings dealt with in the bill, however, a farm proprietor could be eligible for firm assistance and a group of farm laborers could be eligible for worker assistance.

There has to be the causal relationships I pointed out. In any case that my friend from North Carolina can describe, there must be the direct showing and the finding by the Tariff Commission that this particular import of a like or directly competitive article on which there has been a concession granted has cause this group's unemployment. That is the Tariff Commission's job. They have been looking into these things of injury all along. We thought the Tariff Commission was better qualified in this instance to reach that conclusion than would be the Department of Labor, say, or with respect to the firm, the Department of Commerce. So we have put the onus upon the Tariff Commission to reach this conclusion. It is a difficult job, we must admit, but you know and I know that if we do this there must be a finding of relationship between this man's loss of job and these imports.

Mr. WHITENER. I apologize for imposing upon the gentleman, but I am to understand, am I, that if this farmer in your State or mine was affected by imports the Department of Agriculture, satisfied that he had been injured, would then have to go before the Tariff Commission and have the Tariff Commission agree with the Secretary of Agriculture, but if it were a worker in a production industry the Secretary of Labor would not have to go through that procedure?

Mr. MILLS. No, we said just the reverse. In every instance when a firm or employees want this assistance, whether or not they are in farming, they have to go to the Tariff Commission with an application.

The Tariff Commission must find this causal relationship between their difficulties and these imports. There is no discrimination whatsoever. It applies across the board in all instances.

There is this situation, if the Tariff Commission finds this entire industry is affected, that there is serious injury throughout this industry, upon the basis of that kind of finding, firm A, a part of that industry, which has already been found by the Tariff Commission, to be injured, would not have to go back for another proceeding through the Tariff Commission. All of this is different from section 22 proceedings involving, say the Department of Agriculture, which are not directly concerned with injury to firms or workers.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. KARSTEN. I yield to the gentleman from Iowa.

Mr. GROSS. Earlier this afternoon, the gentleman from Tennessee [Mr. BAKER] said that a minimum of 80,000 Americans were unemployed as a result of imports up to this time. My question is: From what industries do these unemployed come?

Mr. KARSTEN. I do not believe we have that information. I believe the gentleman from Tennessee was referring to the approximately 80,000 who might in the future be put out of work, if this bill becomes law, by increased import competition.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. KARSTEN. I yield to the gentleman.

Mr. HOLIFIELD. First, I would like to compliment the gentleman on the statement he has made and the many facts he has brought out here. Along with others who represent areas where there are a great many workers, of course, I am interested in the problem of the displacement of workers. The figure, as I understand it, that the gentleman has given, is that approximately 18,000 a year over a period of 5 years, which would come to 80,000 or 90,000 workers, might be displaced by increased imports resulting from concessions made under the authority of this bill; is that correct?

Mr. KARSTEN. That is correct, yes.

Mr. HOLIFIELD. Now let us look at the other side of the picture. As I understand it, with our exports of about $20 billion, we have provided jobs through foreign trade for 4.1 million workers; is that correct?

Mr. KARSTEN. I think that is the figure, as I recall it.

Mr. HOLIFIELD. Of that, I understand, about 3.1 million are jobs attributable to exports, farms and industry itself and about 1 million are jobs attributable to imports, including jobs in the transportation and trucking business of various kinds. Are those the figures?

Mr. KARSTEN. Those are the figures substantially, as I recall.

Mr. HOLIFIELD. Of the same $15 billion of imports, as I understand, there is only about one-third of those imports that is in competition with the manufactured articles or food produced in the United States; is that correct?

Mr. KARSTEN. That is my recollection—most imports are absolutely not competing at all.

Mr. HOLIFIELD. In other words, about $10 billion of the $15 billion is not competing at all.

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. KARSTEN. I yield to the gentleman.

Mr. MILLS. The figures I have seen are these. Of the $15 billion, about $9 billion is not competitive in that we do not produce like or similar articles here. There is about $6 billion of the $15 billion that may potentially cause injury competitively in that it replaces an article that we produce or something like it.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. MILLS. Mr. Chairman, I yield 5 additional minutes to the gentleman.

My friend, the gentleman from California has put his finger on a very important consideration. Actually, in my opinion, it is not correct to measure merely the total of our exports of $20 billion against the total of our imports of $15 billion in determining anything except, perhaps, this factor as to the balance of payments. I really like to think, from the economic point of view of the effect of foreign trade, in terms of a comparison of $20 billion of exports not with the actual dollars that go abroad but against the $6 billion of payments for products that come in that can be considered competitive with American products. So the $9 billion is not by any stretch of the imagination in the competitive picture.

I am going to put these figures in the RECORD. For example, the $9 billion is made up in part like this.

One and one-quarter billion dollars of it is tea and coffee. Three quarters of a billion dollars of it is in newsprint, and they do not produce all the newsprint in this country that we need. Some $300 million of it is in diamonds and

other precious stones, and things like that. These are examples that go to make up the $9 billion that I do not consider to be competitive with American products. I think those figures can be clearly substantiated.

Mr. HOLIFIELD. And is it not true that when we look at the 18,000 a year over 5 years, the estimate of displacement that we have got to bear, that in relation to the 4½ million that obtain their employment from foreign trade, and also the anticipated increase in exports which we believe this type of approach will bring about—so it is entirely possible that the 4½ million jobs directly related to foreign trade will increases in number far more than the 80,000 we would lose in the affected competitive industries?

Mr. MILLS. The gentleman is right; in fact, there are two sides to this thing of goods brought into the United States and exports, those things that would not otherwise be produced here if it were not for the export market. We are creating American jobs. That is true. There is a substantial difference between the employment created by $20 billion that is sent abroad versus the employment involved in the $6 billion that is competitive that we might have here in the United States if we did not import that $6 billion. That is what I am thinking about. Certainly in balance no one, I believe, could ever prove, certainly not to my satisfaction, that in balance between $20 billion and $6 billion that there is not more employment involved in the development of this trade.

The question was asked how they got this estimate of 18,000 people. That estimate was developed by the Department of Labor and the Department of Commerce entirely upon the industries, the particular businesses, that had applied to the Tariff Commission for some form of assistance, so I am told. They look to those industries to determine what might be this caseload under this program per year if it is enacted.

Frankly, you and I know these are only good guesses. There may not be a soul, there may be 18,000, and there may be 28,000 displaced; we do not know, because we do not know all that will take place. We cannot predict the extent to which the negotiations might be successful.

Mr. COLLIER. Mr. Chairman, will the gentleman yield?

Mr. KARSTEN. I yield.

Mr. COLLIER. The thing I cannot understand in title III of this bill is this: If we are prepared to export the job of an American worker, as we undoubtedly must do in this bill, then by what yardstick of reason or justice do we decide we can export it at 65 percent of what his earnings are? If there is justification for paying him 65 percent of his salary is there not the same justification for paying him his full salary?

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. KARSTEN. I yield.

Mr. MILLS. The point was raised in the committee in the course of the hearings that 65 percent was not enough. The way we look at this thing—I think I am right in the conclusion I reached—if we do not take action under the sovereign power of Government we are enacting here empowering the President to use; namely, lowering the rates, if we do not do that, this individual is left with his job, is he not?

Mr. COLLIER. My question is, Why is it 65 percent?

Mr. MILLS. He is left with his job. A case could be made, perhaps, for higher benefits. I do not think we wanted to go that far, to give him the full amount of his average wage because we had displaced him by Government action. I thought that what we should do was to put some limit here particularly since we are also providing valuable training. We provided 65 percent of his full wage. But it cannot exceed 65 percent of the average manufacturing wage, which I understand will be about $61 at the most.

Mr. COLLIER. If we condemn a man's home in the public interest, then you pay the market value for his home. You do not take the market value and reduce it by 35 percent and say that is what he will get, if there is any justification in the first place.

Mr. MILLS. This is not the same. It may be a comparable situation in the gentleman's mind, but it is not so. This is viewed by me and by the majority of the committee as a temporary device to help in the adjustment of this individual who has lost his job as the result of action taken by a sovereign power in cutting the duty down. That was necessary to the preservation of his job, to try to get him qualified within this period of time to assume some other kind of job for which his services are required and needed.

Mr. COLLIER. In the event that someone is displaced and he receives 65 percent of his salary, based upon what has been said here, and I think the distinguished chairman said this, we have absolutely no idea how many people are going to be displaced as of right now. It is something that is in the dark.

Mr. MILLS. Let me ask the gentleman if in this particular kind of case my friend does not think the Government should have some concern about what happens to this individual?

Mr. COLLIER. I have a very deep concern. I am concerned about the 35 percent we are not giving him.

Mr. MILLS. Do not vote against this bill because it is held at 65. The 65 is better than nothing. It is not as good as the gentleman's suggestion of 100 percent, but it is better than nothing.

Mr. COLLIER. I am trying to find the yardstick of diligence and reason.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. KARSTEN. I yield to the gentleman from Massachusetts.

Mr. CONTE. Let us take the hypothetical case the chairman gave. You have 100 employees. Ten are displaced because of imports. They will be entitled to this title III assistance, provided it goes through the Tariff Commission. They will be paid up to $65 each. Assume that in that particular industry another 10 employees are laid off because of lack of work. In Massachusetts they could collect a maximum of about $40 a week.

Mr. MILLS. I think you have to draw a distinction.

Mr. CONTE. I think that you are going to make first-class employees on the one hand and second-class employees on the other hand.

Mr. MILLS. There is no discrimination here. You have action taken by the Government deliberately which supports the trade readjustment allowance.

Mr. CONTE. I have a brief example. I have a defense factory in my hometown. The Government canceled a defense contract.

Mr. MILLS. That is different. The Government in that case is acting as a contractor and any businessman knows that protection of jobs and rights under the contract are matters which can, and are, covered by the contract. If a producer chooses to enter a contract, he accepts the risk of cancellation. The gentleman knows that when the Government enters the contract field it is not using sovereign power.

It is subject to all of the rules of contract law and as such has all the rights of a contractor. When the Government enters the contract field it acts as does any other contractor and cancellation of contracts is a normal business hazard which exists in all contract fields. When the Government awards a contract to one plant and not to another, the Government has no obligation to the plant which did not get the award. By the same token, it has no obligation to the workers of this plant. Every contract award or cancellation brings with it joys on the one hand and disappointment on the other. Assistance in the case of removal of tariffs can be justified, because this condition arises through Government sovereign action, taken in the public interest, to lower tariffs and thereby take a job away from this man. The sovereign has seen fit to remove a tariff which it placed on an article to protect the job. In all equity and good conscience it must take steps to make the affected worker's adjustment to the new competitive conditions created by its own acts as easy as possible under the circumstances.

There is a difference, therefore, between the two cases you cite and I believe the approach in the bill is justified by the difference.

Mr. CONTE. I do not know how I can explain this to my workers. We had a contract in my district which was not renewed. The people are unemployed. The Government took this contract away, yet on the same assembly line you could conceivably fire people because of imports and their compensation would not necessarily be the same.

Mr. MILLS. Let me ask you this: Do you want—at least I do not want—to go back to the people in your area and say to them that where the Tariff Commission finds that they have been displaced because of a reduction in the duty, the only thing that we have empowered the President to do is to adjust the duty upward? Do you want to tell them this when the history of the escape-clause

provision shows that on relatively few occasions has any President, Democrat or Republican, used tariff relief. Now, this authority is used, more than likely, when an entire industry is affected. But it is not used when less than an entire industry—one firm, or a group of workers are injured. Now, all we have done in H.R. 11970 is to give the President an additional tool to use. In the event a mistake is made and some firm has been injured or some group of employees thrown out of work, I would rather have this provision for adjustment assistance available. I will take my chance on explaining to my folks why we do this in this manner and why we do not take care of the other fellow who has lost his job for some other reason. I may have difficulty in explaining it, but I think I would have more difficulty in explaining my support of this legislation where there is a loss of a job due to action taken thereunder and nothing at all is done.

Mr. CONTE. I appreciate the chairman's explanation. But I think when a father of four or five children, whether he loses his job because of imports or whether he loses it because of lack of work, is unemployed, you are going to have a difficult time explaining that one should get $65 a week and the other $40.

Mr. MILLS. The figure is $61—and, of course, that is not an average amount that workers will get. It is a ceiling. Many of these people who will be involved are receiving a lot less wage than the average national manufacturing wage.

Mr. CONTE. Likewise, unemployment compensation of $41 in Massachusetts is a ceiling. Some get less.

Mr. MILLS. That is right.

Mr. MACGREGOR. Mr. Chairman, will the gentleman yield?

Mr. KARSTEN. I yield to the gentleman from Minnesota.

Mr. MACGREGOR. I direct my question to the gentleman from Missouri or to the Chairman. I would like to pose this situation. Assume two small manufacturing plants in Minnesota, the Third Congressional District, manufacture shoes. They have small operations. The tariffs are lowered. One company sees the handwriting on the wall and it initiates a program of retooling, and during that process of perhaps 6 months its workers are laid off. But, it is looking into the future to give work to its employees, and it develops another type of operation. Company B does nothing. Are the employees of company B to be treated more favorably than company A employees?

Mr. MILLS. I call the attention of my friend from Minnesota to the fact that the company that retooled and laid its employees off for this 6-month period may be doing that, of course, to improve its competitive position and if it does this when the tariffs are lowered and there is nothing else involved such as increased imports, those employees were not laid off as the result of imports.

In the other case you gave an example where imports were directly responsible for the layoffs. With respect to the second firm, all other necessary factors being present, those workers would be eligible for assistance.

But who is to say which group of workers—those in plant A or plant B—are better off. Maybe the retraining of company B's workers will not be as beneficial as the action taken by firm A, because the latter firm might get itself more competitive quickly and its men will have jobs which may be more secure.

That is the purpose of assisting firm B—to be more competitive. If we do not do what we are talking about doing here, and firm A is the only one which rises to the occasion and gets itself into a competitive position, the workers of firm B are not going to get anything except whatever they might be entitled to under the unemployment compensation law of the gentleman's State.

Mr. MACGREGOR. Let us assume, if we may, that it is an industrywide injury, as it would be in the shoe business.

Mr. MILLS. If it is an industrywide injury, it is my thought that the course of action to take where appropriate is the adjustment of the duty. It is true that this bill does not require the President to do that. The discretion is with the President as to whether or not he would follow a recommendation of the Tariff Commission. But where the Tariff Commission finds injury across the board in an industry, it must find the level of duty which would relieve that injury and the President has the authority to put it into effect. If the President fails to do this, the Congress can require such action by a majority vote.

Mr. Chairman, the difference here, as I see it, is in a tariff-reduction situation, the Government's use of a sovereign power takes away from an individual a prop which sustains his job. The tariff is reduced because we think evidently it is in the national interest to do it. We are taking away from him support for 100 percent of his weekly wage. Now, will we do nothing for him?

Mr. MACGREGOR. If the gentleman will yield further, why not do the same for him that we do for other employers?

Mr. MILLS. Not where the sovereign power of the Government has nothing to do with it, and I do not believe the gentleman would want that.

Mr. MACGREGOR. This is the situation as I see it: Let me pose a hypothetical question. If we treat the employees of company B more generously than the employees of company A, it seems to me that we are passing legislation here which discourages a company from using its own initiative to solve its own problems in a particular area.

Mr. MILLS. No; if I thought that, I certainly would not be for it.

Mr. MACGREGOR. That is the way it seems to me, Mr. Chairman.

Mr. MILLS. I can assure the gentleman that that is not my thought. I believe I have explained that our objective is to assist those who want to be helped. If they want to become competitive, and have the means on their own to accomplish this end, they will not wait for the Government to assist them, they will do it on their own.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. KARSTEN. I yield to the gentleman from California.

Mr. HOLIFIELD. Mr. Chairman, I have studied this bill very thoroughly—the committee bill—and I intend to support the bill.

(Mr. HOLIFIELD asked and was given permission to revise and extend his remarks.)

Mr. HOLIFIELD. Mr. Chairman, I am glad to have an opportunity to speak in support of H.R. 11970. This is a bill that merits the support of all on both sides of the aisle because of what it will do to strengthen our economy at home and to help us achieve some of our most important goals in our relations with other countries. As the President put it in his trade message to Congress last January:

> Enactment of this measure will benefit substantially every State of the Union, every segment of the American economy and every basic objective of our domestic economy and foreign policy.

First let us look at what H.R. 11970 means to our domestic economy. We are the greatest trading Nation in the world. We prosper because of what we sell to the world and we prosper because of what we buy from the world. In no small measure, the high living standards of the American people are due to our exports and our imports. H.R. 11970 will help us move forward and share even further in the prosperity resulting from expanded international trade. The measures it affords for attacking trade barriers around the world will provide increased opportunities for our exporters. It will open up new opportunities for our farmers, our manufacturers, and our fellow Americans in every other line of commerce.

H.R. 11970 is a new trade program geared to the realities of the 1960's. We are in a dynamic era in which potential markets for U.S. goods are widening with rising living standards in countries on every continent. If we are to realize the full potential of those markets we must be on the alert to take every measure available to Government to give our suppliers adequate opportunity to compete in those markets. This means that our trade program must aim both to reduce foreign trade barriers and to keep our own producers competitive so that they will be able to win a place in the makets thus opened up to them. The broad program of reciprocal tariff reductions which H.R. 11970 will make possible will help us to achieve both of these aims.

Now let us look at what H.R. 11970 signifies for our aims in the international field. The major strength of the free world is now centered in the countries bordering on the Atlantic. We and our partners across that ocean share a major responsibility for coping with the great problems facing us today—to guard the security of the free world and to help the less developed countries, including newly emerging nations, to achieve a self-reliant status economically and politically. Over us as we exert our best efforts to discharge this heavy responsibility hovers the brooding menace of Communist imperialism, giving utmost

urgency to the attainment of our common goals.

The Trade Expansion Act of 1962 will help us to accomplish these ends. It first of all provides a means for negotiating for the mutual reduction of tariff barriers for the general benefit of the free world. There are some who seem to believe that this is intended to be solely a venture between the United States and the European Common Market to the neglect of the welfare of other countries. This is not the intention nor will it be the result. H.R. 11970 contains an integrated set of provisions for a general attack on tariffs in which all free world countries can take part and from which all will benefit. Thus the major tariff negotiations that will be made possible by the Trade Expansion Act will strengthen our relations not only with the Atlantic partnership but with the rest of the free world as well.

Now, I would not for a moment belittle the importance of the Common Market. Its development is of outstanding significance for us, and that fact is thoroughly recognized in the provisions of H.R. 11970. But that bill also recognizes that we have vital relationships with other countries around the world and that these countries, too, play an essential role in free world security. Bear in mind the nations of Western Europe that are not in the Common Market but share our common goals in the Atlantic partnership. Our neighbor Canada is not only our most important single trading partner but is also a partner in the Atlantic community. Across the Pacific, Japan is another important trading partner and a bastion of free world strength in the Far East. And around the world, we find similarly that we share trade and security interests with countries on every continent.

The importance of free world strength and our common security is too obvious to need further comment here. There is less appreciation, I believe, of the importance of free world strength in the achievement of our aims toward the less developed countries. We are already witnessing with gratification the increasing ability and willingness of our more prosperous free world partners to help the less developed countries achieve their aspirations for economic, political, and social progress. Through the joint efforts of all we can help to solve the problems of these less developed countries and enable them to attain the strength to stand alone and resist the lures of Soviet imperialism.

Now I do not believe that there is any disagreement about the need to attain the purposes I have outlined on both the domestic and international fronts. Our differences are not over goals nor are they concerned essentially with the broadened negotiating authority the President needs if he is to achieve them. Our differences pertain basically to the safeguards appropriate to a program for the broad expansion of mutually advantageous international trade. Is it reasonable, I ask, to tie such a program to a narrowly limited safeguard system which contains, in fact, only a single means of protection—the imposition of additional import restrictions if increased imports cause injury to domestic industry?

The proposal to drop the adjustment assistance program from the Trade Expansion Act would leave the same unhappy situation as at present. It would leave the President only an all-or-none remedy. He would have to choose, as he does now, between giving no relief at all or imposing increased import restrictions which provide an immediate panacea for a domestic industry but leave it without any incentive to modernize, to become efficient, to become competitive. He has no other alternative such as the trade adjustment assistance program would give him.

Under this program, he would be able to give prompt and effective assistance to injured firms who want to modernize, to become efficient, to become competitive, and he could, in addition, help affected groups of workers by appropriate means. He could do this, moreover, even where the import injury was not industrywide but was concentrated on particular firms or groups of workers. The increased flexibility provided to the President by the adjustment assistance program is an essential part of the Trade Expansion Act. I caution you, my friends, to think soberly of how you would narrow the safeguards of this bill if you agreed with the proposal to eliminate this essential part of H.R. 11970.

Mr. MILLS. Mr. Chairman, I yield such time as he may consume to the gentleman from Connecticut [Mr. GIAIMO].

(Mr. GIAIMO asked and was given permission to revise and extend his remarks.)

Mr. GIAIMO. Mr. Chairman, many opponents of H.R. 11970 have used as a principal argument the contention that the adjustment assistance portions of the bill would be impossible to administer.

While I do not wish to detract from the experience of these critics in any way, I feel it is important to sound out those who actually would be charged with the responsibility of administering this program. Accordingly, Mr. Chairman, I wish to submit for the RECORD a letter I have received from Mr. Joseph J. Gibbons, director of the State of Connecticut's Employment Security Division, replying to my request for comment on the provisions of H.R. 11970 that concern themselves with the adjustment assistance program.

I have great respect for Mr. Gibbon's experience, judgment, and impartiality, and I wish to call his expert opinions to the attention of my colleagues in this House.

STATE OF CONNECTICUT
LABOR DEPARTMENT,
EMPLOYMENT SECURITY DIVISION,
Hartford Connecticut, June 22, 1962.

Congressman ROBERT N. GIAIMO,
House of Representatives,
Washington, D.C.

DEAR BOB: Regarding your letter of June 18, 1962, and my telegram of June 22, 1962, replying thereto, the suggestion that a program of readjustment allowances such as is set forth in H.R. 11970 is difficult or impossible to administer is a familiar one. This problem was raised with regard to unemployment insurance payments to maritime workers in 1943, with respect to servicemen's readjustment allowances in 1944, with respect to unemployment compensation for Korean veterans in 1952, with respect to unemployment compensation for Federal employees, unemployment compensation for ex-servicemen, the Area Redevelopment Act, the Manpower Development and Training Act, and all other attempts by Congress to improve, extend, implement, supplement, or support the concept of insuring against the hazard of unemployment in the American economy. It is the perennial cry of those administrators whose economic predilections cause them to view with distaste any extension of such programs because the very success of Federal participation reflects very seriously on the adequacy of State systems.

It is not truly the difficulty of administering the program that bothers these individuals; it is the program itself. I have always been very much amused to find that, once Congress has had the courage to act in these areas, the very people who have argued most vehemently the impossibility of administering such programs are equally loud, after the event, about their success in doing precisely what they said they couldn't do.

I am aware, of course, that there is a very strong movement to line up the employment security directors against this measure, and I have been subjected to a barrage of propaganda with this end in view. I am distressed at the eagerness of some of my colleagues to participate in this type of pressure group, particularly when a measure is being subjected to political and ideological attack under the phony guise of advice on the difficulties of administration. While I favor forthright solutions to obvious economic problems, as an appointed State official, I would consider it presumptuous on my part to speak for the State of Connecticut as to the overall desirability of the bill or as to its impact on Connecticut; only the Governor has a right to do so. As a citizen of the third district, I am confident that you yourself are best qualified to judge as to the district's and Nation's need for this legislation, and as to its overall quality. But after 27 years experience in the business of administering employment security programs, at all levels, I think I can speak with some assurance as to feasibility of administration, and I can find nothing, after a careful scrutiny of H.R. 11970, which would be difficult to administer, much less impossible to administer.

Sincerely yours,

JOSEPH J. GIBBONS,
Executive Director.

Mr. MILLS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, in connection with these remarks, I ask unanimous consent to extend in the RECORD at this point my own explanation of some of the details of the bill which I do not believe have been fully covered yet in the debate in the hope that when the RECORD is available tomorrow Members may take time to read the parts of it, at least, that interest them.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The material referred to follows:

STATEMENT OF HON. WILBUR D. MILLS, OF ARKANSAS

Today this committee on H.R. 11970 begins consideration of a bill which, in my opinion, ranks as one of the most important pieces of legislation to come before the Congress in recent years. Its importance is

manifested by the widespread public interest in the subject matter covered by the bill as well as the time consumed by the Committee on Ways and Means in public and executive sessions on this matter. Following 1 month of public hearings where we received the views of persons from all segments of the U.S. economy—industry, agriculture, and labor, the Committee on Ways and Means spent several weeks in executive sessions writing the provisions which are in the bill now before you.

But H.R. 11970 is also intrinsically important because of the promise it holds for the future of the United States in international trade and the future of our free world trading partners. H.R. 11970 provides the United States with the means to enable us to grow and expand in world trade and to enlarge upon our position as the world's greatest trading nation. The needs of our times make it urgent that we strive to expand our role as the leading trading nation of the world.

Many indeed are the problems which face our great Nation both at home and abroad. Some of these problems seem to defy solution; some involve issues which go to our very survival as a nation. But I believe that as overshadowing as some of these other problems may seem to be, the urgency which requires us to expand our trade in the free world is not less than the urgency which surrounds these other problems. The United States is the political leader of the free world. It is axiomatic that political leadership goes hand in hand with economic leadership. A nation which maintains a secondary role among the trading community of the nations of the world will, more often than not, be relegated to a secondary political role. I need not dwell upon this fact of international life which we have seen demonstrated in the post-war era. Nor need I dwell at great length on the importance for our sake, and the sake of all the free people of the world, of the United States retaining its role as the political leader of the free world.

The bill before this committee will not only serve to strengthen the political and economic leadership positions of the United States, but it will materially assist us in discharging our responsibilities which stem from such positions. We are painfully aware, each of us here today, of the tremendous costs involved in meeting the obligations of our role as leader of the free world nations. The drain on our fiscal resources has been great. We can all hope and pray that world tensions will ease so that the cost of manning the frontiers of freedom around the world will be lessened. Such are my continuous hopes and exhortations as I know is the case with all of you. But, unfortunately, the end of the fight for the minds and hearts of men is not in sight and we must be prepared to continue this struggle for as long as is necessary.

So if we are to be able to carry the heavy burdens placed on our shoulders by the challenge of the forces of communism to the freedom of the people of the world, we must have strength and the means to finance our efforts. An expansion of our trade surpluses offers the best immediate hope of arriving at those objectives.

By the same token, the adoption of these same objectives by all of our trading partners in the free world will bring about a major easing of the burdens we now bear. A liberalizing of trade will strengthen the economies of all participating nations and will enable such nations to assume a greater part of the load we are now carrying.

These are not idle sentiments or hackneyed cliches. Unless we do exapnd our trade, and thereby enable the other nations of the world financially to undertake a greater share of the cost of prosecuting the cold war, our problems will be aggravated.

You might ask how H.R. 11970 will bring about expanded U.S. trade. My answer is that in and of itself it will not bring about this result. However, this bill is the key to attainment of this objective. By its passage the United States will have served notice that it intends to enter into agreements with the nations of the world who are willing to bargain down their tariff barriers in exchange for our doing the same. When these barriers are lowered, the way will then be cleared for U.S. exports to move out into world commerce in greater quantities and satisfy the demands for these products which we know exist.

IMPORTANCE OF FOREIGN TRADE TO THE UNITED STATES

What has been our history in this regard? How do we shape up as a world trader? Well, last year we exported over $20 billion of goods while we imported less than $15 billion. This is a pair of figures you and I have heard many time recently. But I would like to dwell for just a moment on the significance of these figures. They are critical to our balance-of-payments position. The surplus trade balance in 1961—taking out of these figures exports under Government assistance laws—contributed over $3 billion to the plus side of our payments account. As poor as our payments situation looks at the present time, imagine the difficult position we would be in were it not for this huge $3 billion credit.

Let us look, also, at the nature of the $20 billion worth of goods we shipped abroad last year. Our agriculture accounted for over $5 billion of this amount—or about 25 percent of our total exports. We exported the product of 1 out of every 6 acres harvested, a tonnage sufficient to fill 4,000 ocean vessels.

The United States is the world's greatest agricultural exporter. We supply 44 percent of the world trade in wheat, 41 percent of all cotton, 75 percent of soybean, soy-oil, and cotton-oil, 48 percent of world trade in feed grains, 33 percent of the trade in tobacco, 74 percent of tallow and greases and 15 percent of all rice.

Although the United States exports agricultural products to all parts of the world, Western Europe as a whole is our greatest market area for agricultural products. As far as individual countries are concerned Japan ranks high on the list of our best customers. In the past 10 years, Japan has purchased over $4 billion of U.S. farm products. In 1961, Japan bought 11 percent of all U.S. farm exports, including more cotton, soybeans, hides, skins, and tallow than any other country. Japan buys one-tenth of the entire U.S. cotton crop—one out of every four bales exported.

Our exports of farm products to Western Europe run to several billions of dollars each year. Western Europe buys over one-sixth of our wheat exports, about 40 percent of our barley, almost two-thirds of our corn, and almost three-fourths of our sorghums.

I could talk at great length on the important stake which American agriculture has in world trade. But I believe the figures I have cited do a much better job in making the point: U.S. farmers share abundantly in the export markets we have developed to date. The objective of the Congress must be to nurture these markets and seek to expand them so that even greater benefits may flow to our farm community. In my opinion, the passage of the bill H.R. 11970 is the basic and urgent step toward attainment of that objective.

Industry also has a major stake in U.S. export trade. In 1960, we exported 52 percent of our production of locomotives, one-third of our oilfield machinery and equipment, one-fourth of our production of synthetic rubber and an equal percentage of our production of lubricating oils. Last year we exported almost $7½ billion in machinery and vehicles, over $1½ billion worth of textile fibers and manufactures, almost three-fourths of a billion dollars worth of wood and paper products and almost $1¾ billion worth of chemicals and related products. We exported over $1 billion worth of U.S. trucks, automobiles, buses and trailers in 1961.

From these statistics it can be seen that the American worker necessarily has a great stake in expanded U.S. exports.

So each of the major segments of the economy participate fully in our export trade and glean substantial benefits. So whether your primary interest is in labor, agriculture, or industry, the facts are such that a vote for H.R. 11970 will serve this interest.

Let me turn now to our imports. In 1961 our imports ran to about $15 billion. Mr. Chairman, there has been a great deal of misinformation concerning the true significance of this figure of $15 billion. If one were to believe all he hears, he would be convinced that every one of these $15 billion represents a displacement in our country of dollars which would have otherwise been earned by a U.S. producer. Nothing could be further from the truth.

In the first place, do almost $1¼ billion worth of imports of tea and coffee compete with U.S.-produced coffee and tea? Obviously not—we produce no coffee or tea. Does almost three-fourths of a billion dollars worth of newsprint for our daily newspapers displace U.S. production of newsprint? No, we just do not produce enough newsprint for our requirements and if it were not for newsprint imports many U.S. newspapers would not be printed. Does almost $300 million worth of diamonds and other precious stones displace such items produced here? Obviously not.

I could go on—mentioning spices, bananas, specialty food items, natural rubber, cocoa, tin, and a host of other articles which are brought into the United States and which have no counterpart in our domestic production. But the point I believe this demonstrates is that, obviously, the $15 billion of imports does not displace U.S. products dollar for dollar. In fact, it has been estimated that about 60 percent of our imports are truly noncompetitive. Thus, of the $15 billion only some $6 billion can be said to be competitive with U.S. production. In rough percentages, this would be in the neighborhood of 1 percent of our gross national product.

Of course, these imports serve another vital role. They supply the dollars to our trading partners which enable them to buy our products. They serve other roles, as well. The coffee and tea imports are the basic materials for the producers of grinding equipment, brewing equipment, and the host of other things which are needed to bring coffee and tea to the consumers. Again, spices are vitally needed by the great food processing industry of the United States who market prepared foods in such vast quantities. Also, let us not leave out the many workers whose jobs depend on such imports and on the availability of such articles to the United States.

EXPLANATION OF THE BILL

Mr. Chairman, the pending bill will bring about the necessary expansion of our foreign trade. I will now outline its provisions and explain how it will accomplish this purpose.

H.R. 11970 can be generally divided into three major groups of provisions: (1) The authority is given to the President to enter into foreign trade agreements for the 5-year period beginning July 1, 1962, through June 30, 1967; (2) the President is given the authority to reduce import restrictions of the United States which will be required or appropriate to carry out any such agreement he enters into; and (3) the President is given authority to render tariff adjustment and other adjustment assistance to any industry,

firm, or group of workers who may suffer serious injury due to increased imports. I will discuss these in order.

Five-year grant of authority

The 5-year extension of authority to the President is necessary to permit effective trade agreements to be negotiated.

International trade is certainly more complex than it has ever been in the past. As more and more nations are emerging as participants in world trade, there is an ever-increasing need for expanded, deliberate negotiation of agreements in order that all the possible consequences might be fully evaluated. Full consideration must be given to all factors, both domestic and international, economic and political, which are involved in a modern-day trade agreement. Thus, time is a vital commodity which should be used in full in order to make the proper judgments.

Under the 4-year extension in the 1958 legislation while preparations for an agreement were begun shortly after the enabling legislation was passed, the actual agreement was not concluded until just a few weeks ago. In fact, the negotiators were rather hurried to complete the agreement before the deadline of June 30. The reason for this long period of time was the introduction into the trade agreement process of negotiations with the European Economic Community—popularly referred to as the Common Market. Not only were the negotiations with the market countries new, and therefore necessarily time-consuming, but the very nature of the Common Market required slow, deliberate negotiations. For the first time, the United States was negotiating a trade agreement with an entity which approached us in economic prowess. Obviously, hard bargaining and long and tedious negotiating were required and were the order which had to be followed.

While H.R. 11970 anticipates that the United States will conduct trade agreement negotiations with the many countries of the free world with whom we trade, it is also contemplated that a major negotiation will take place between the United States and the Common Market. An agreement with the Common Market as presently constituted would require a good deal of time, both in preparations and in actual negotiation. However, we have reason to expect that the Common Market will be enlarged from its present six country members, which enlargement will serve to accentuate the need for sufficient time within which to negotiate an agreement which insures full consideration to the interests of the United States.

Let me now review, for a minute or so, the nature and makeup of the Common Market to stress the need for ample time to deal with this new entity in Europe. The market is a grouping, at present, of six European countries—France, West Germany, Italy, Belgium, Holland, and Luxembourg. Its aim is twofold: First, economic union; and second, political union (though the exact nature of the latter has not as yet been determined). The economic union, the factor which concerns us most here today, strives for the creation of a market much like the United States, free of internal tariffs and other trade barriers, free movement of capital, labor, transportation, and articles of commerce within the market area. But of extreme importance to us is the fact that the market countries intend to set up a common policy on tariffs and import restrictions which will apply to the rest of the world—including us.

The basic form of the Common Market and the economic advantages that would be derived by its members are so attractive that virtually all of Western Europe in addition to its six original members is seeking some form of association with it. Greece has already negotiated a type of agreement that would grant it most of the benefits while permitting Greece certain exceptions to protect its newly developing home industries. These benefits would grant Greek tobacco, for instance, treatment preferential to that accorded to tobacco coming from nonmember nations such as the United States. U.S. tobacco exports were 29 percent of the U.S. crop this last year, a large part fo this going to Europe.

Turkey and Spain are expected to apply for association similar to that of Greece. England, Denmark, and Ireland are expected to apply for full membership. Norway is expected to follow suit. Even the traditional neutral nations, Sweden, Switzerland, and Austria have indicated interest in joining if they can find a way of joining without accepting the implied political ties. The former colonies of France, Italy, and Belgium are eligible for a special associated status. Some feel that if the United Kingdom joins, special status may be granted to its former colonies if they so desire. The United Kingdom would also seek to protect the special interests of the members of the Commonwealth nations including Canada, Australia, and New Zealand, all major export competitors of ours in the agricultural field.

I would like to cite just a few facts and figures to illustrate the enormity of the Common Market. This present grouping of nations and the potential grouping of nations presents a serious challenge to our role as the world's leading trading nation. At the same time it also harbors within it a great opportunity for us. Here are some data regarding the market which I believe clearly demonstrate these points.

As presently constituted, the Common Market is populated by over 170 million people. Addition of countries seeking membership or association could swell this total to over 300 million—almost twice the population of the United States. In 1960, the present market countries exported about $29.7 billion in goods and imported $29.6 billion. That is a total trade of almost $60 billion. Contrasted with our own exports of about $20 billion and imports of about $15 billion, one can see immediately the economic prowess of the market. One can also see the immense opportunity which we have to sell goods to such a lucrative market.

To illustrate the growth of this market and the potential which is implicit in its very existence, let me just cite a few statistics. The gross national product growth rate for members countries from 1951 to 1960 was 5.3 percent while the industrial growth rate was 7.4 percent. But in 1960, the community's gross national product rose 7 percent over that of 1959. This can be compared with our own rate of about 3 or 3¼ percent. Industrial production in the market in 1960 rose 12 percent above that in 1959. For the first 3 years of the Market's existence, industrial production expanded some 25 percent. The imports of the Common Market countries went from a dollar volume of 11.2 billion in 1950 to 29.6 billion in 1960. Even more remarkable, exports went from about 9.3 billion to 29.7 billion in the same period.

In short, this is a picture of glowing health—abounding prosperity. And with such the case, one can see immediately that within the confines of this market there are great opportunities for United States agriculture and industry to make even greater gains than we have in the past. We can only imagine the increased opportunities which will be ours when, as may happen, Great Britain and other members of the European Free Trade Association join this community of free nations.

Can anyone doubt the necessity for the United States to negotiate an agreement with this economic giant which is rising in Europe? Moreover, can anyone believe that we could, or should, try to tackle so vast and important a problem in a less period of time than that provided in H.R. 11970? I don't believe we can afford to fail to enter into an agreement with the Common Market countries bargaining down their external tariffs in exchange for reductions on our part. And I for one do not want to force our people to enter into so far-reaching and important an agreement without having all the time they need to do a good job.

Authority to reduce tariffs

This leads me to the second major part of the bill—the authority to reduce tariffs.

The bill gives the President a basic authority to reduce U.S. tariffs by 50 percent of the July 1, 1962, levels. In addition, he would be empowered to reduce by more than 50 percent or eliminate any tariff on any article which is included in a category of articles the world trade in which is dominated by the United States and the Common Market. He would also be empowered to reduce by more than 50 percent or eliminate a duty on any agricultural product when he determines that the agreement in which such action is taken will tend to assure the maintenance or expansion of U.S. exports of the same product. Authority would also be given to reduce by more than 50 percent or eliminate the duty on any tropical agricultural commodity when the Common Market takes action on its tariffs which will accomplish similar results. Finally, the President could reduce by more than 50 percent or eliminate any duty of 5 percent ad valorem or lesser amount.

Are these substantial grants of authority? The answer, of course, is "yes." However, the President needs all of this authority to get the job done which we would like to have done. There are some who believe that the bill does not give give all of the authority demanded by the exigencies of the times. I feel that this authority is vitally necessary if the President is to do a proper and effective job in expanding our trade.

Why does the President need this authority? The basic reason is that the Common Market countries are (1) eliminating tariffs among themselves, and (2) erecting a common tariff wall which will apply to all outsiders—including the United States. Through the combined results of these two objectives—free trade within the market and tariffs against outsiders—we face a potential loss of a large part of our present sales outlet in Europe. We will lose that market unless we can get them to lower or remove their import barriers. No longer will our U.S. exporters be able to compete within that market with a French producer or a German producer if the latter has no tariff to pay while the U.S. exporter is burdened with a tariff levy. If we want to continue to get our products inside the market area—our wheat, tobacco, rice, machines, trucks, and the whole host of things we now sell in that area—we must get them to lower or remove these external tariffs. And the cuts they make must be substantial. Even a modest, residual tariff wall might prove to be too great a barrier for our goods to hurdle. The tariffs which remain after they negotiate with us must be low enough to permit our products free access to their markets.

The only way that the Common Market will agree to make substantial cuts in their tariffs is if we agree to reciprocate and make sizable reductions in our tariffs. We are realists, or we should be. We will get nothing for nothing. We must be prepared to demand from them substantial, meaningful reductions in their external tariffs. But we can only demand where we have the right to also give. An agent armed with authority to buy a $10,000 home must be able to offer $10,000.

If we concede the necessity of getting the Common Market tariff down to a low level, we must be prepared to pay the price in reduction of our own tariff levels. It does no good in 1962 to argue about what might have been if we had bargained harder in the past. We are faced with the very real fact that one of our most lucrative markets is disappearing behind a tariff wall and will be out of reach unless we get that wall down. In my opinion, the bill this committee has before it contains the tools necessary to enable the President to do the job and to do it well.

Our ability to compete

There are those who assert that even if the EEC lowers its tariffs, we are already priced out of world markets. We cannot compete, they say. The facts say they are completely wrong. The $20 billion-$15 billion ratio says they are wrong. The $700 million balance of trade—in our favor—with Japan says they are wrong. The presence of American products in all countries of the world says they are wrong. Look at such products as synthetic rubber, cigarettes, nylon yarn, aircraft, DDT, plastics, synthetic ammonia, phosphate rock, soybeans, corn, fresh peaches, and canned fruits. I know of no better rebuttal to these pessimists and I can cite no more substantial reason for confidence in the competitive ability of our American farmers, processors and manufacturers.

We are selling our products abroad and we will continue to sell them if we can keep tariffs down and are given a fair chance.

We are selling more to Japan—a favorite target for critics of international trade—than we buy from her. And we want this to continue to be so. We sell more to Europe than we buy there. We want this also to continue. Our favorable trade balance will continue, and expand, if we seize the opportunity offered.

People around the world have needs and desires similar to our own. They long for good food, proper clothing, and the many things we in the United States take for granted. Our economy is sufficiently strong, and potentially able, to supply a good part of the demands which these people are presently voicing and which they will continue to voice. U.S. products—high in quality and reflecting a high degree of technology—are, and will continue to be, in demand. Our job is to get these products into the hands of the consumers of the world. We can do this if tariff barriers are lowered. Tariff barriers can only be lowered if foreign countries agree to lower them. Such agreement, of course, will involve our undertaking to lower our tariffs.

I have dwelt at length on the beneficial effects which further tariff negotiations under the Trade Expansion Act would have for our commercial and other relations with the European Common Market, Japan, and other advanced economies. We would be doing a great disservice to both the act and ourselves if we do not also recognize, in the debate over our action on this bill, the equally great importance of the Trade Expansion Act to the many less-developed countries in the world, and in particular to our partners in the Alliance for Progress.

The European Common Market offers a great trade challenge to every country in the free world. We in the United States are in an excellent position to take up this challenge to our advantage because our economy is similar to that of the Europeans in that the range of products which we might exchange to our mutual benefit is indeed extensive. However, for those countries in Latin America, Asia, and Africa whose economies are still geared to the export of a few basic commodities, the possibilities for taking advantage of a greatly expanded consumer market are relatively restricted. Their negotiating power at the tariff bargaining tables is handicapped by the limited composition and volume of their few main exports. For these countries, the maintenance of a worldwide, multilateral trading system, based on the principle of nondiscrimination in respect to those products which are so vital to their export economy, is nothing short of essential.

Many of these countries see in the Common Market a threat to this system. They see competing products from Africa—from the former dependencies of the Common Market members—given preferential treatment by the Common Market. They also see, in high tariffs on semiprocessed goods and simple manufactures, an insuperable barrier to their ability to compete for a place in the great markets of the industrialized countries of the Atlantic.

We must be able to counter these apprehensions and to promote in a meaningful way the economic development of these nations which has become one of the major objectives of American foreign policy. We must be able to take positive action to insure that no member of the free world community is excluded from participating in the great opportunities for trade expansion.

The Trade Expansion Act gives us the tools to take this action. First, it continues our traditional most-favored-nation policy under which all reductions made in negotiations with any other country are extended to all other free world countries. We would expect that any reductions which are made by other countries, including the Common Market, will also apply to products of the less-developed countries.

Second, it offers opportunities for mutual tariff reductions between ourselves and the less-developed countries under the general 50-percent reduction authority. We anticipate that other countries too will join in negotiating with the less-developed countries to improve their export opportunities on those products which are of greatest importance to them.

Third, the provision granting the President authority to eliminate duties of less than 5 percent will offer many opportunities for the developing countries to benefit, since many of our low-duty imports are products obtained from these countries.

Finally, the special authority on tropical agricultural and forestry products will enable the President to eliminate duties on such products which are not produced in the United States in significant quantities and are of direct importance to many developing countries. It will put the United States solidly behind many of our friends, particularly in Latin America, in their efforts to secure elimination of duties on tropical products by the Common Market. As such duties constitute one of the major impediments to the expansion of their export sales in Europe, action by the Common Market in this direction would be of particular importance to our partners in the Alliance for Progress.

The expansion of export opportunities for the less-developed countries is a necessary adjunct to the maintenance of sound economic aid programs. Trade provides a direct stimulus to economic development and increases the capacity of these countries to purchase needed imports from industrialized nations. We thus benefit in two ways from action which we take to expand their export possibilities: we help build a solid basis for economic expansion in the less-developed countries, thus insuring our own security interests in their ordered transition to higher levels of development, and we contribute toward the expansion of our own export trade by helping provide them with the means to buy our goods.

The Trade Expansion Act holds significant promise for the developing nations of the world. It is fully consistent with the principles underlying the Alliance for Progress. Its enactment will be a major step forward in our relations with those countries in all parts of the world who look to the United States for leadership in a troubled, but highly promising, period in world history.

Sino-Soviet bloc economic offensive

A final consideration in this important matter is the presence in the world of the trade-and-aid offensive of the Sino-Soviet bloc. By the use of economic bait and lures, the Red nations are entrapping the weaker countries of the world and forcing upon their people an ever-increasing pressure to give up their freedom and embrace communism. A shipment of a commodity which a poor, starved economy badly needs is coupled with requirements that Soviet information centers be permitted to be set up and the well-oiled propaganda machine be permitted to spew out its venomous lies about the United States and the rest of the democratic world.

The Red bloc succeeds because of the ruthless dumping tactics it employs. We must thwart their drive by meeting their invitations to slavery with invitations to freedom. If we would do this, we must offer these less-developed nations an opportunity to sell their goods in free world markets and engage in sound, economic, self-respecting trade with the nations of the free world. Actions speak louder than words and by our good faith acts of realistically leading the free world down the path of open and nondiscriminatory trade, we can overcome the bottomless, worthless promises that Moscow and Peiping deal in. The free world must not respond in kind, it must not mouth pious platitudes and cliches, it must not rely on words to overcome the lies being foisted upon the poorer people of the world. The free world must move forward with concrete acts which will be unassailable and which will fully destroy the impact of the Red bloc's lies about us.

I have recounted just a few of the fundamental considerations which convince me that we must give our President the authority to offer meaningful U.S. tariff cuts in exchange for meaningful tariff reductions by others.

Now I would like to point out that H.R. 11970 is not a carte blanche handout of authority to the President. Basically, I reiterate, the bill gives him the power—the means—to perform the task at hand.

We have not tied his hands or crippled him in any way. We did not give with the right hand and take away with the left. This bill is no exercise in futility. Naturally, to get the job done was our objective and in my opinion the bill will permit just that.

The Committee on Ways and Means established on the other hand, to insure a voice to all interested persons, certain preagreement procedures.

We have provided for preagreement hearings where all interested parties will be given an opportunity to express their views about each and every proposed tariff cut. Full opportunity will be given to every interested industry, firm, worker, exporter, importer, supplier, or any other person to support or oppose proposed tariff cuts on each article. If there are parties who feel that they may be injured by tariff reductions, they will have an opportunity to present their case to the Tariff Commission in alleging reductions in tariffs will harm a firm, group of workers, or an industry. If convinced, the Tariff Commission will so advise the President who will have before him the Commission's advice when he is ready to act.

The President will have a Special Representative for trade agreement negotiations who will serve at the President's pleasure and who will be subject to Senate confirmation. This representative will be available for consultation with representatives of industry, agriculture, and labor and will be fully apprised of the needs and problems of

these segments of our economy. This official will go to trade agreement negotiations fully armed with all the facts which will enable him to make proper judgments and wise decisions.

The bill sets up an organization which will be of Cabinet level. This Interagency Trade Organization will advise the President of each and every important factor concerning the operation of the trade agreements program.

I have said that the bill does not tie the President's hands and you can see that it does not. Our aim—the objective of the Committee on Ways and Means—was to set up procedural requirements which would insure that all of the pertinent facts would be out in the open and available for those charged with the responsibility of operating this program. We believe that if the representatives of agriculture, industry, and labor will take full advantage of these procedures, then the committee's aim will have been realized. If a particular segment of the economy has some reservations about a given proposed trade agreement action, we expect that representations will be made to the agencies designated in the bill so that such reservations can be analyzed and studied.

It is important at this point to emphasize a fact which seems to have escaped some people. H.R. 11970 is enabling legislation. Its passage will not automatically reduce one single tariff of the United States. I expect that it will be some time before any reduction in duty by use of the new authority contained in the bill will result. I mention this point only because I have received letters and other communications urging defeat of the bill because on its passage "duties will be eliminated on this item or on that item." I know that most of you here have received similar protests against passage of this bill.

I repeat—not one single tariff presently in force will automatically be reduced by reason of your voting for this bill and its ultimate passage. And further, the fact that this bill authorizes the President to make certain reductions in rates of duty does not mean that he will reduce every rate of duty to the maximum level authorized.

This, of course, is why we provided for these preagreement procedures. If a given industry can convince the President that a reduction in duty will injure it, then I for one do not believe that the President will take action having such a result. In my opinion, he would not because such action would be destructive of, and would not contribute to, the aim of the bill to assist in strengthening the U.S. economy.

I believe that the grant of authority in H.R. 11970 will not put the President in the position of having no choice but to take a calculated risk of hurting some few U.S. producers. He will have ample authority to offer concessions in those areas where he feels no harm will be done.

The bill also would expand and improve upon the present provision of law concerning trade with the Communist-bloc countries. The committee inserted a provision which requires the denial of trade agreement benefits to all Communist countries, including Cuba, Poland, and Yugoslavia. As far as Cuba is concerned, all commercial trade with that Communist nation is presently halted. But if that trade ever again is permitted, and for so long as Cuba is dominated or controlled by communism, her products will not get the benefits of trade agreement or any preferential treatment.

Further, the Committee on Ways and Means also provides for denial of most-favored-nation treatment to products of countries which discriminate against U.S. products or which maintain unjustifiable restrictions against our goods inconsistent with the letter and spirit of trade agreements.

As the free world leader in trade, the United States must set an example of open and nondiscriminatory trade.

I believe we have lived up to our agreements in the past and I expect we will in the future. If we maintain a record devoid of unjust discriminations, we expect that others should do the same. The objectives of the trade agreements program cannot be met and realized unless all parties to such agreements live up to their obligations and act in accordance with the provisions of the contracts which they freely undertake. It makes little sense to expend a great deal of time, effort, and expense in negotiating an agreement if any party thereto takes, or permits to be taken, any unjustified tariff or nontariff action having the effect of nullifying the objectives sought by the agreement. An agreement looks to increased trade but the adoption of measures which in fact curtail trade is a patent contradiction of the aims of the agreement.

It is my hope that an open and non-discriminatory trading system among the free world nations will be the aim of all parties to free world trade agreements. Only if that result is attained will the full benefits of trade agreements be realized.

Let me turn now to the provisions of the bill concerning tariff adjustment and other adjustment assistance.

At the outset let me state categorically that H.R. 11970 not only continues the substance of the present tariff relief provisions of existing law, but in my opinion, it improves on these provisions.

Can an injured domestic industry, adversely affected by increased imports resulting from trade agreement concessions, receive relief in the form of increased tariffs or quotas, or both under the bill? Yes, without any doubt whatsoever. Is this any different from existing law? Not at all. Aside from an approach to the scope of the industry in a given case which is far more suitable to the objectives of H.R. 11970, the bill continues in full force the present authority of the President to adjust tariff restrictions upward in a given case.

The bill provides that the President may increase tariffs by 50 percent of the 1934 rates—in effect, to 150 percent of the 1930 Tariff Act rates. I would like to digress one moment on this point. During the proceedings on this matter, some people expressed concern at the proposal to permit the President to reduce July 1, 1962, rates by 50 percent. I would like to point out that there is far greater power contained in the bill to increase tariffs or to impose quotas. The quota power is unlimited—it includes the power to embargo goods. In terms of current rates of duty, the power to increase duties amounts to an authority to make increases on the order of several hundred percent. To be consistent those who complain about vesting great powers in the President should have been opposed to such power on the other side of the coin—but apparently they were not.

Nevertheless, the President has full authority to grant tariff relief in appropriate cases. So the bill continues this concept in present law and further strengthens it in the following respects: If, in a given case, the President fails to implement the tariff increases or quotas, or both, found by the Tariff Commission to be necessary to remedy an injurious situation, Congress can, by a majority vote, override the President and cause the higher tariff reductions to be put into effect. Not by the present two-thirds vote on a privileged resolution as at present, but by a majority vote can the Congress exercise its will.

Provision is made for full hearings before the Tariff Commission in any escape-clause investigation, just as they are required at the present time.

So I ask you: Is there anything different in what I have just said which detracts from present law as some claim? Obviously, the answer is "No." Contrary to the allegations of those who say we have watered down the relief provisions of existing law, they are stronger and provide a greater measure of protection than do present provisions. We have made it possible for the House and the Senate to work its will by a majority vote. This should be ample testimony of our intention to strengthen the relief provisions for injured industries.

Those who say we have scuttled existing safeguards argue primarily that our action in authorizing supplemental or alternative assistance to firms or workers adversely affected by imports proves their point. They say that since we provide for these supplemental or alternative approaches, we fully intend that they be the sole avenues of assistance and that tariff relief should never be granted. If we intended that, then I ask why we spent so much time on improving and strengthening the escape-clause provisions of the bill? Why did we provide for a majority vote to override a Presidential failure to implement Tariff Commission findings? Why did we spend days discussing this provision and setting up procedures which will assist in expeditious processing of escape-clause cases? Why did we cut down the time allowed the Tariff Commission to report on its escape-clause findings? Those who charge we do not intend that these provisions be used would have you believe that all of the time and effort spent on these provisions by the Committee on Ways and Means was an exercise in futility. The effort was to come up with a realistic escape-clause provision which would be usable, and which we expect to be used, in appropriate cases.

The adjustment assistance authorized to be given to adversely affected firms will consist of technical assistance, loan guarantees or direct loans, and tax assistance in the form of extended loss carry-back. For workers, this adjustment assistance will take the form of trade readjustment allowances and retraining in new skills so as to permit an orderly adjustment on the part of workers to new competitive conditions.

Why, you might ask, did the committee provide for firm and worker assistance? We did it to fill a void in existing law which permitted unjust and inequitable situations to arise.

Let us take two cases of industry injury under present law. The President determines that in the first case it is in the national interest to protect the industry affected even though it may be at the expense of retaliation against another industry and this can be done with a minimum of international repercussions. He will grant tariff relief. But in the case of the other, he is convinced that the industry is marginal and it would not be in the national interest as a whole to grant tariff relief. What is the result? Nothing is done for this second industry—for its firm or its workers. They are out in the cold.

The bill before you recognizes that there will be instances that will necessitate either a limited form of tariff relief or no tariff relief at all. Let us realize that these cases of injury are not simple, black or white propositions. The President's decision on whether to take action is a difficult one indeed and he must take into account the overall national interest and particularly the national security interests in making his decisions. When the President is forced to decline full tariff relief in a given case, the firms and workers in the industry concerned would not be turned down and forgotten under the bill before you. H.R. 11970 recognizes our obligation to this industry to render some assistance to get it into a more competitive posture.

The Government would render assistance to these workers and firms just as a tariff increase would constitute Government assistance. Many people who deplore governmental assistance in the form of low-cost loans or training or readjustment allowances for workers argue vehemently for a high tariff, which is, of course, nothing other than governmental assistance.

H.R. 11970 goes further than existing law on another important facet of the problem of import injury. Under present law, where an industry is found not to be injured, nothing is done to assist those firms and workers within that industry which are injured. The greater number of cases which have come up under existing law fit into this class. Obviously, in such cases it would not be in the national interest to raise tariffs which most of the industry did not need and perhaps did not want.

What should our attitude be toward the firms and workers in an industry who are adversely affected but whose industry is not hurt? Should we continue our present policy of turning our backs on them? I don't believe we should and this bill would not.

The bill provides that firms will be assisted by loans from the Small Business Administration or some other existing agency which can help them. The bill also specifically provides for loans to all qualifying firms and sets up special authority and procedures where they can get help and assistance if they need it.

When it comes to workers, some tell us they should avail themselves of State unemployment insurance benefits and retraining under the Manpower Act only. First, these acts were passed with an entirely different problem in mind. If they had been designed to meet the problem of assisting workers to make an adjustment to import competition, then I am sure they would have been drafted along the lines of H.R. 11970.

The trade adjustment assistance provisions of the committee bill are intended to provide the President with a means of assisting firms and workers adversely affected by imports which in most cases would get no relief under present law. If this assistance is to be a realistic and practical addition to tariff relief it must provide assistance which will be adequate to enable the workers to adjust.

The proposal of some that any assistance received by a worker unemployed or underemployed because of imports should come from existing benefit programs and should not exceed the level and duration of such benefits means, in effect, that there would be no special adjustment provisions for workers in the trade bill but that instead reliance should be placed entirely on State unemployment compensation laws and the Manpower Development and Training Act.

The Ways and Means Committee after careful consideration rejected this proposal. While we directed that existing programs should be fully utilized we also recognized the need for additional Federal assistance to promote effective adjustment of firms and workers injured as a result of import competition.

Such assistance is not a new concept. It should be remembered that in many cases when unemployment of a national character has occurred, even when action by the Federal Government has not caused such unemployment, Congress has enacted legislation to establish a Federal program to supplement the assistance available to unemployed workers under State law. Specific examples include the enactment of the so-called GI bill of rights, reconversion unemployment benefits for seamen, unemployment compensation for certain Korean veterans, and extended unemployment compensation. In addition, Congress has recognized the responsibility of the Federal Government in similar situations in enacting the Area Redevelopment and Manpower Development and Training Acts.

In the trade adjustment provisions of H.R. 11970 the committee has recognized that the Federal Government has a responsibility to afford adequate assistance to the workers whose unemployment or underemployment is caused by the national trade policy.

At this point let me make it clear that the trade adjustment provisions are not an attempt to federalize the unemployment compensation system. In fact, the report of the Ways and Means Committee states emphatically that adjustment assistance for workers has not been proposed to establish a precedent in the unemployment compensation field. Instead it is only intended as an effective alternative to the job protection now available to workers in import sensitive industries through the tariff and the escape clause procedure. In many cases now no relief is granted under the procedure.

If adjustment assistance is to be adequate it must offer more than a minimum amount of financial assistance to tide the displaced worker over until he can find another job or complete a training program. It must reflect the fact that the Government, as an alternative to protecting the worker through increased tariffs, has a real responsibility to provide a concrete program that will help him to adjust as fully as possible to a constructive position in an efficient and competitive industry.

To this end H.R. 11970 recognizes that every effort should be made to assist the workers to remain with their present employers. Only in this way can the seniority, pension, and other accumulated job benefits of workers be fully protected. The adjustment assistance provisions propose to do this in part by providing technical and financial assistance directly to import affected firms.

They also impose special obligations upon the firms employing affected workers as well as upon the Federal agencies administering the assistance program.

First, in section 311(b) dealing with assistance to firms it is provided that one of the conditions for the granting of such assistance is that the firm gives adequate consideration to the interests of its adversely affected workers.

Second, in section 326(b) concerning training, it is required that to the extent practicable training programs shall be developed which will retrain workers to meet the manpower needs of their employer.

And third, in section 361(b) the services of an interagency board are made available to the President to advise him "on the development of coordinated programs for adjustment assistance to firms and workers, giving full consideration to ways of preserving and restoring the employment relationship * * * where possible, consistent with sound economic adjustment."

There is no intention to perpetuate inefficient or uneconomic arrangements. Instead, the effort will be to assist firms and their employees who face a common hardship to adjust in a way that permits them to progress together.

State unemployment insurance programs and the Manpower Development and Training Act by themselves are not adequate to help import affected workers to adjust as some argue. The unemployment insurance laws do not cover many workers who may be affected by import competition. Many small firms are excluded from its coverage and practically no agricultural workers enjoy such protection.

Under the manpower development and training program, eligibility for the full 52 weeks of training allowances is limited to unemployed heads of families and households. Even then not all such workers will have access to such allowances, since they may not be trainable and training facilities may not be available.

The amount of benefits under the State unemployment insurance laws would also be insufficient in many cases for the many low-wage workers who would be affected as well as for the many workers who will face not merely temporary unemployment but loss of skill, seniority, fringe benefits, and other related employment benefits. A large proportion of the workers who may lose their jobs because of import competition are expected to be employed in industries in which the average wages paid are substantially below the national average manufacturing wage. If trade readjustment allowances were set at a level equal to 50 percent of a worker's average weekly wage, which is the standard followed in many State laws, a large percentage of the workers would receive a weekly allowance of less than the national average of weekly unemployment insurance payment.

Another reason why State unemployment insurance and the manpower training allowances as a means of providing adequate adjustment assistance for trade-affected workers is not adequate is that the duration of benefits under these programs would not be sufficient in many cases. The nationwide average under State unemployment insurance laws is only 23 weeks of benefits. For those persons facing a change of employers or the need to acquire a new skill, and particularly for the significant number of older workers who will be affected, such a period would be inadequate.

The 52 weeks of allowances under the Manpower Development and Training Act would probably be adequate to cover training alone, in most cases. However, the combination of supplemental assistance for unemployment and training assistance, and the delay inherent in the procedure for determining import injury make it advisable to provide for a 26-week extension for training where appropriate. Such an extension is provided by the Trade Expansion Act.

Since assistance in addition to that generally available to workers is required for an adequate adjustment to imports, H.R. 11970 includes provisions to insure that the additional assistance would only be provided to those clearly entitled to it. For that reason, the bill contains detailed provision for identifying import affected employment. It also establishes eligibility standards calling for a length of attachment to the labor force and to import affected employment which are much stricter than any existing in State unemployment compensation laws. Incidentally, this concept of stricter standards for higher benefits is one frequently followed by the States. Moreover, in line with its emphasis on training, the Trade Expansion Act disqualifies workers from receiving trade readjustment allowances if they refuse without good cause suitable training to which they have been referred. Such a disqualification from unemployment compensation exists only in the laws of three States.

These facts demonstrate, in my opinion, that the trade adjustment provisions are reasonable and appropriate.

Mr. Chairman, these are the basic reasons why I urge the enactment of H.R. 11970. Let me leave this Committee with this thought: The times and the world situation are such that I believe we have no choice but to make a bold move forward in the basically important field of international trade. If we adopt a hesitant, inward-looking attitude, then others who look to us for guidance and inspiration will do the same. Such a course of action and reaction would bode no good for either us or those who take their cue from us. The net result would contribute to the divisive plan of the Red bloc.

Let us not act from fear or apprehension but from strength and conviction. The

United States has nothing to fear from an open and nondiscriminatory trading arrangement with any nation of the free world. Those who say we do tend to deal in terms of possibilities and "iffy" type thinking. They project short-term curves on small-scale charts and conclude that it is only a matter of a few years before we are taken over—lock, stock, and barrel, by foreign producers. Much the same fears were expressed back in 1934 when the great Cordell Hull initiated the program which H.R. 11970 contemplates expanding and continuing. While history proves that the fears were not realized in the overwhelming number of cases, nevertheless they continue to be expressed generally by the same interests with added emphasis.

Our country's greatness lies in her determined efforts to move forward no matter what the odds against success were. In this field, the odds are in our favor.

We have never backed down from a challenge which offered us a real opportunity to prove to the world that our system is the best system. It is because we have unflinchingly accepted every challenge thrown up to us that we today are the greatest people and the greatest Nation on earth.

Mr. MILLS. Mr. Chairman, I yield to the gentleman from Connecticut [Mr. MONAGAN] for a unanimous-consent request.

(Mr. MONAGAN asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. MONAGAN. Mr. Chairman, there are two points that I should like to mention here. The first concerns the argument of the gentleman from Missouri on the question of expanding imports. To begin with, even though it might be possible generally to expand our imports in the country, nevertheless, as pointed out only this week in an article in the Wall Street Journal, the necessary result of this expansion would be the increase of foreign imports into the United States.

In addition, the possibility of raising the volume of exports from the section which I represent to the Common Market is quite remote, indeed, since the wage rates in the Common Market are about one-third to one-fourth of those prevailing in industry in the Naugatuck Valley, while the plants are as modern or more modern than ours.

The second point is this. If we are to have as a national policy one which will eliminate industries and jobs, as the gentleman from Missouri has admitted, it seems to me that I would be remiss if I were not to support the adjustment assistance section of the bill in the event that a preliminary attempt is made to take that section out of the bill. Certainly I should get the best deal possible for workers and industries in my section whose jobs and businesses are eliminated through this legislation.

Mr. MILLS. Mr. Chairman, I yield to the gentleman from Oklahoma [Mr. WICKERSHAM].

(Mr. WICKERSHAM asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. WICKERSHAM. Mr. Chairman, we have been discussing the Bureau of Reclamation project near Waurika, Okla., for the past 2 weeks. We have discussed the effects of the flooding and droughts on the people of the Waurika area.

In the past 2 weeks, the need for municipal and industrial water has been explored. Lawton, Duncan, Waurika, Walters, Comanche, Temple, and the DX-Sunray plant between Duncan and Comanche must have more water to satisfy needs for continued growth.

There also is need for provision of additional recreational opportunities to accommodate the expanding population, conservation and propagation of fish and wildlife in addition to development of feasible irrigation.

The absence of ground waters in significant quantities in the study of the area precludes reliance on them to provide the new water supplies essential to continued economic growth.

The streamflows of Beaver Creek constitute the most favorable surface water resource of significant volume and suitable quality available to the project area.

Construction of a multipurpose reservoir near Waurika on Beaver Creek, together with the appropriate aqueduct system, irrigation distributions system, and other related works, would provide optimum development of the available resources. The plans for this project have taken into consideration the desires of the local people. The Beaver-Cow Creek Watershed Development Association has and is leading the struggle for this project. The plans of development is economically justified and financially feasible. The inclusion of each purpose is justified and desirable from the standpoint of optimum development of the available resources. Construction of the works contemplated under the plan would be in the interest of the project area, State, and Nation.

The estimated construction cost of the works proposed for Federal construction totals $25,019,500 on the basis of the April 1959 prices. This includes $367,500 for minimum basic recreational facilities required for protection and accommodation of the visiting public as recommended by the National Park Service. It also includes, in accordance with the recommendations of the Fish and Wildlife Service, $457,200 primarily for the acquisition of 3,500 acres for a wildlife management area, $447,900 for acquisition of 2,580 acres for a national wildlife refuge, and $4,500 to provide trashracks at the irrigation pumping plant to exclude catchable size fish. The National Park Service recommends that additional non-Federal expenditures totaling $400,000 be made for accessory recreational facilities. The Fish and Wildlife Service proposes development of the national wildlife refuge with funds available to that agency.

The estimated $15,856,500 of construction costs allocated to municipal and industrial water supply would be reimbursable with interest and $4,044,300 allocated to irrigation would be reimbursable without interest. The balance of $5,118,700 would constitute nonreimbursable allocations to flood control, recreation, and fish and wildlife purposes.

The plan of development contemplates that a master conservancy district representing all project water users would operate and maintain the dam, reservoir, and aqueduct system, and an irrigation district would operate and maintain the irrigation works.

Mr. Chairman, I again call for action of this House on the Waurika project. Yesterday, the Senate passed the Waurika bill. Today, I again plead with the Irrigation and Reclamation Subcommittee of the Interior and Insular Affairs Committee. I again call for action on the Waurika project.

Mr. MILLS. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore [Mr. ALBERT] having assumed the chair, Mr. BOLLING, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes, had come to no resolution thereon.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. McGown, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 11879) entitled "An act to provide a 1-year extension of the existing corporate normal-tax rate and of certain excise-tax rates, and for other purposes."

HOUR OF MEETING TOMORROW

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that when the House adjourns today that it adjourn to meet at 11 o'clock tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

CORRECTION OF ROLLCALL

Mr. SHELLEY. Mr. Speaker, on rollcall No. 127 on June 25, the RECORD shows me as not being present. I was present and voted "yea," and I ask unanimous consent that the permanent RECORD and Journal be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

FREEDOM OF RELIGION IN POLAND IS A FRAUD

(Mr. FEIGHAN asked and was given permission to address the House for 1 minute, to revise and extend his remarks, and to include extraneous matter.)

Mr. FEIGHAN. Mr. Speaker, very shortly the House will take up the issue of economic assistance to Communist

Poland as a part of the foreign aid bill. One opinion frequently advanced in an effort to justify American aid to the Communist regime of Poland is that Poland is somewhat different from the other captive nations, that the Warsaw regime has a certain degree of independence from Moscow, and that freedom of religion is not seriously menaced by the Warsaw regime. These arguments fly in the face of the facts with regard to life within Communist-occupied Poland today. They need to be exposed so that the truth with regard to religious tolerance and freedom of conscience in Poland may be known before the issue of American aid to Poland comes before the Congress.

The Brooklyn Tablet, in its edition of June 23, 1962, published a significant story on the persecution of religion in Poland as reported by the Vatican Radio in Rome. This dispatch analyzes the most recent Communist decrees regulating public meetings and the manner in which these decrees are used to suffocate Christian life in Poland. This review points out that the persecution of the church in Poland is not as severe as in many other captive countries, but the record is clear that the Warsaw regime is set upon a course to eliminate freedom of religion. The review follows:

CHURCH IN POLAND FIGHTS FOR LIFE—VATICAN RADIO NOTES STATE HAS BECOME MORE OPPRESSIVE

VATICAN CITY.—The Vatican Radio, in aforthright, point-by-point indictment charged that the condition of Catholicism in Poland is steadily worsening due to the hostile attitude of the Communist government.

It is said that any doubt about this has been dispelled by recent Lenten sermons delivered by Stefan Cardinal Wyszynski, primate of Poland, which showed "quite plainly what a battle is being fought by the church in his country."

"During the last few months, after the final suppression of religious teaching in the Polish schools," the Vatican station declared, "the government office for religious affairs attempted to control religious classes in parish buildings as well.

"Meanwhile, a decree for excessive taxes from societies not recognized by the State has for some time been threatening to suffocate religious worship itself. Discriminations and obstacles hinder nuns in hospitals. Priests and religious are excluded from universities. Recognition of existing Catholic societies is refused and new ones are not allowed to be formed."

The station said the Polish bishops have protested against the illegality of such decrees, basing their stand on the national constitution, but all in vain.

It said a new law providing for the regulation of public meetings had made the situation even worse.

"This law," it stated, 'lays down that every meeting and demonstration on the part of societies that are not considered social must be previously authorized by the civil authorities. For processions and pilgrimages, which are specially mentioned in the new law, previous notification of the path of the procession is required and the use of loudspeakers is forbidden."

The Vatican station said the decree has already been put into force, the occasion being celebrations planned for April 29 in honor of St. Adalbert, patron of Poland.

"The traditional procession, which usually takes place in the center of Gniezno was relegated instead," it commented, "to the outskirts of the city."

"The aim of such decrees," it added, "is obviously the slow suffocation of catholicism. They are not always all put into action, but they are not, on the other hand, ever abolished. They are at hand for a suitable occasion to use them, when it is considered that this can be done without arousing the resentment of the people."

Declaring that "there can be no doubt as to what is behind all this," the station said "it is made doubly evident by the constant antireligious propaganda, by the activity of those people who sell their religion to lead an easier life, by the press which, according to Cardinal Wyszynski, throws mud on the priests on every possible occasion, and by the 'progressive' movements started by the Communist Party to break up the religious unity of the people."

The Vatican Radio said the condition of catholicism in Poland is still better than in those other countries enslaved by communism. But it added that the recent complaints made by Cardinal Wyszynski "is enough to give one an idea of the extent of the difficulties which the faithful in those countries have to face."

The station said the survival of catholicism in Poland is "the exclusive result of the strongmindedness of the hierarchy and the faith of the Polish people. The Communists, however, regard it merely as a reason to carry out their atheistic propaganda on a more intense and far-reaching scale."

On Passion Sunday Cardinal Stefan Wyszynski, primate of Poland, made a significant address which has become available to the press in the free world in recent days. In this address the cardinal called attention to the confiscatory tax policies of the Warsaw regime now being used in an effort to eliminate the Catholic seminary in Warsaw. The Cardinal characterized this tax as a cruel injustice, pointing out that if the tax was not paid all the seminary owns will be confiscated. The highlights of the Passion Sunday sermon delivered by Cardinal Wyszynski was reported in the Brooklyn Tablet issue of June 23, 1962, as follows:

WEAK FOES OF REDS ASSAILED BY POLISH PRIMATE—CARDINAL WYSZYNSKI LAMENTS FAILURES OF INTELLECTUALS

ROME—Stefan Cardinal Wyszynski, primate of Poland, castigated his countrymen who fail through weakness to defend the church against communism.

In a Passion Sunday address which recently was made known here, the cardinal displayed particular dissatisfaction with "intellectuals (even Catholic intellectuals)" who smile and say, "Oh, well, the bishops and priests will muddle their way through somehow; let's not get ourselves involved; let's not put our necks on the block."

Cardinal Wyszynski delivered the sermon in the Church of the Visitation Nuns in Warsaw.

His Eminence also described a tax on the seminary of the Warsaw archdiocese imposed by the Gomulka government as a "cruel injustice."

"Since an act of injustice violates a citizen's evident rights," he said, "I have resolved not to pay these exactions."

Excerpts from his sermon follow:

" 'Which of you shall convince Me of sin? If I say the truth to you, why do you not believe Me?' (St. John, VIII, 46).

"This selfsame tragedy that Christ experienced is facing us too; for today Christ can put the same question to us, in so many occasions connected with our personal and social life. 'Which of you shall convince Me of sin?'

"But it is not Christ alone who asks this of us; we hear this question put to us in every sector of our lives, in our personal relations with God and His grace that seeks to draw us to Him in love. We hear it in our social, public, political, professional lives; we must keep asking ourselves this same question Our Lord addressed to the Jews.

"All down the centuries, Christ has been pelted with stones. Today's Gospel closes by the words 'They took up stones to cast at Him' (John 8: 59). Those stones still fly through the air; century after century Christ has been stoned; he is stoned today when we cast our stones at His church.

"It is indeed a marvel that after 2,000 years of such stoning the church should not have been quite crushed. How many stones are hurled at Christ in our families, because He stands for the honor of the home, and proclaims the duty of conjugal love and chastity.

"There is in this world an institution that seeks to arrest the stones meant for Christ, to turn them aside from Him to her; but the church does not always suceed in doing this; more than one reaches the sacred head of Christ, but cannot kill Him, for Christ died once, and dies now no more."

NO FIGHTERS

"Today the hail of pebbles threatens to overwhelm the church; yet nobody offers to ward them off. Just as we so often overlook what we owe to the God who dwells in us, so we forget our duties toward God's church; so it is that stones keep flying in her direction and nobody seems to worry about protecting her.

"When I first came here to Warsaw I frequently heard Catholics prominent in civic affairs say: 'I am not anxious to lay my head on the block even if the block is the Gospel.'

"There are not many people ready to suffer for the church and for her defense; that is why it is so easy, in our society, to throw stones at the church.

"I know what you say: 'The church has survived for over 1,000 years here in Poland; she will ride out this storm too. No need for us to get too involved.' And so you avoid getting involved; and in the meantime the church is suffering, for herself and for you.

"That is the explanation why, in this country of ours, her enemies can treat the church of God as they please; and yet the church can ask, fearlessly, 'which of you will convince me of sin?'

"Just recently a troupe of young women, bearing good Polish names, appeared on TV in a skit that travesties a historical event related by the Bible; they mocked God's word, pretending that it was not Cain who slew Abel, but vice versa; Abel killed Cain, and so the just Abel is the real criminal.

"In the same vein, Christ has been accused of murdering children. Do you think I am exaggerating? Read some of our Warsaw papers, and you will be convinced. We wonder how the Jews of old could have had the effrontery to say to Christ, 'Thou hast a devil.' Yet the same thing goes on today; Abel is guilty of murdering Cain; Christ and His church are the great culprits responsible for what happens.

"So Polish girls amuse themselves this way for the benefit of the TV spectators, and people who call themselves intellectuals (even Catholic intellectuals) will smile and say, 'Oh, well, the bishops and priests will muddle through somehow; let's not get ourselves involved; let's not put our necks on the block.'

"Is it only the bishops and priests who have duties to fulfill toward the church? Should not every true Catholic defend the church, courteously but firmly uphold her sacred rights, in contemporary society and in our Nation?

"How little you know of the struggles the church endures to defend her rights, and how difficult it is to tell you about it, because such struggles are the church's daily

land [Mr. JOHNSON] is recognized for 15 minutes.

Mr. JOHNSON of Maryland. Mr. Speaker, on June 25 the Supreme Court of the United States shocked and stunned this Nation by branding the saying of official prayers in public schools as unconstitutional. Immediately after reading the majority opinion of the Supreme Court, I prepared and introduced a House joint resolution—House Joint Resolution 753—proposing an amendment to the Constitution of the United States providing that the offering of nonsectarian prayers or any other nonsectarian recognition of God shall be permitted in public schools and other public places.

Following one of the most momentous decisions ever handed down by our highest Court, I have received an avalanche of mail, telegrams, and phone calls protesting an obviously anti-Christian opinion by the Supreme Court. This opinion will have a major and controversial impact on public school practices across the length and breadth of our Nation. One-half of the public schools in the United States have religious ceremonies; approximately 85 percent of all baccalaureate services in public schools have some religious content.

A Supreme Court decision which permits the sending of obscene matter through the mails on the one hand and invalidates official noncompulsory prayer on the other has aroused a people who are proud of the religious heritage that made this Nation great.

This is indeed a perilous world, an unstable world, and yet it is self-evident that when a nation goes down to defeat and destruction it is not so much that it has been assailed from without but because something has given way from within.

This Supreme Court decision has stunned Christian Americans; and I believe the decision, if left to stand, will contribute to a marked deterioration of spiritual emphasis in the United States.

What keeps a people strong and calm? What keeps a nation a symbol of greatness? I say it is a country's reliance on God. Religion was and should now be our Nation's strength. It is obvious that valor, law, and ambition cannot sustain a people, else Rome might still be the mistress of the world. America's peril comes not only from battleships, aircraft carriers, submarines, huge land armies, and H-bombs, but from weakness on the spiritual front. Our forefathers put on the full armor of God, and we today can do no less if we are to defend ourselves and our Nation from the forces of evil who seek to destroy the body as well as the soul. The nation that loses faith in God and man loses its most unifying and conserving force.

If the United States it to meet the global challenge with which it is confronted we must rediscover the spiritual basis of our political concept.

Mr. Speaker, it must be "this Nation under God" or it will be "this Nation under some dictator."

In an unkempt upper room in England some 112 years ago a man wrote rapidly through the night. In the morning, this man—Karl Marx—turned his paper, known as the Communist Manifesto, over to a friend. Gentlemen, from this upper room flowed an influence that changed the world. Millions of men and women have lost their lives because of it; almost a billion people are under its infamous banner; the booted tread of Communist soldiers are heard in many lands today; and fear and malice, bitterness and hate can be found everywhere. But I speak today concerning another upper room, a most important upper room, where a group of Christians met some 1,900 years ago. From this room flowed a spirit of fellowship and love, kindness and goodness, which has gloriously captured millions of people. We cannot afford to destroy the fabric of our religious heritage in this troubled 20th century. We cannot condone the action of the group that sponsored this anti-Christian case. It is noteworthy that this same organization in the guise of champion of civil liberties has defended Communists in several instances. America needs to be awakened. There is moral deterioration taking place within our Nation which imperils the existence of this free and democratic country.

George Washington, our first President, during the first inaugural giving reverent acknowledgment of God's guidance in the development of this country and a statement of his own conviction that this Nation was born under God wrote in the following manner:

> In tendering this homage to the great Author of every public and private good, I assure myself that it expresses your sentiments not less than mine own; nor those of my fellow citizens at large. * * * No people can be bound to acknowledge and adore the Invisible Hand, which conducts the affairs of men, more than the people of the United States. Each step by which they have advanced to the character of an independent nation seems to have been distinguished by some Providential agency.

I sincerely hope I may have the support of my colleagues in the passage of my measure or any other comparable resolution.

AIRLINES IGNORE PUBLIC RESPONSIBILITY

The SPEAKER. Under previous order of the House, the gentleman from Ohio [Mr. VANIK] is recognized for 15 minutes.

Mr. VANIK. Mr. Speaker, as soon as congressional agreement on the reduction of the travel tax, effective November 15, was made clear, the Nation's trunk airline carriers appear determined to divert the tax savings away from the traveling public and convert them into added revenues. The general public will again end up as loser in a tax cut from which they will get no benefit.

The announcement by Eastern Airlines in this morning's newspapers to increase coach fares by 6 percent on August 1 forewarns the traveling public of a determined effort by the trunk airlines to completely eliminate attractively priced coach travel. This pricing policy completely disregards the tremendous public interest in low-cost air travel—free of frills, champagne cocktails, and gourmet dinners. Economy is the attraction of coach travel. While it may divert some passengers from first-class flights, it serves to divert more passengers from congested surface travel. The elimination and pricing up of coach travel simply forces more people to use their automobiles.

The popularity of Eastern's air bus service to the seaboard cities indicates the popularity and profitability of low-cost flights. It may be coincidental that the same cities are served by railroad transportation that is still slightly competitive. Perhaps the Civil Aeronautics Board or some other agency should inquire whether or not this type of shuttle service is being provided solely to give the railroad transportation of persons a knockout blow.

Coach travel has shown increased popular support in spite of the fact that all airlines have been engaged in a program of reducing the scheduling of coach flights. Between Cleveland and Washington, United Airlines has completely eliminated coach travel. At the same time, coach flights between New York, Cleveland, and Chicago have been reduced. The record will indicate that most carriers have been reducing the availability of economy flights.

The great majority of airline travelers want a safe air trip to their destination. They are more concerned with the price of the ticket than they are with the type of plane or its speed. They are concerned with the saving of days of travel rather than minutes or even hours. They have little interest in tape recorders, red carpets, or stag flights. Why, then, should this traveler be saddled with the cost of these frills by higher fares?

With the speed of modern aircraft, it has become almost unnecessary to serve food in flight, except for transcontinental flights. Many meals in flight are served in a frantic dash to fit them into the flight schedule. If the great majority of air travelers had their choice between food in flight and lower prices for travel, I am sure they would choose the latter.

The fact of the matter is that the domestic carriers have made no effort to penetrate the tremendous market of the unsubsidized domestic traveler. They have endeavored to cater to the expense-account, credit-card group. In a city district such as I represent, 97 percent of the air travel is carried on by less than 3 percent of the people. I would venture an estimate that 75 percent of the residents of my district have never been in a commercial airline. With rising prices, their chances at air travel are even more remote.

The automobile remains the principal competitor to mass air travel. The highways are glutted with motorists who

would prefer to fly if the prices were right.

Travel abroad was given a tremendous boost with the introduction of the economy fare and low-cost charter flights which have taken over the market. If attractive pricing policies stimulate more international travel, why not try it for domestic travel?

As another alternative, the airlines could stimulate low-cost travel by providing drastically reduced rates on night flights. Practically all airline services shut down at 11 or 12 o'clock at night. The expanded use of low-cost night flights would provide the traveler with service at a price he may afford. It would provide use for equipment and facilities at a time they are unused. The capacity of our airports could be expanded without the construction of added facilities. With the present congestion at airports and with the hazardous crisscross of flight patterns, night travel might prove to be more safe as well as more convenient. The failure to use our airways and airport facilities during the night and early morning hours is wasteful.

The public acquiescence to airline merger and consolidation was based upon the assumption that the carriers would remain public spirited. It was believed that they would pass on to the public some of the economy made possible by merger. The airlines have a grave public responsibility to provide safe service at the lowest possible cost to the greatest number of air travelers. If they fail in this obligation, public reaction may generate demands for the reestablishment of competitive carriers. Perhaps someone may come along and propose to do the job better if granted a competing franchise.

In the meanwhile, the airlines should not forget their obligation to provide the best kind of service to the greatest number. Their obligation to provide attractive coach service is inherent. The proposal of Eastern and other airlines to raise the price of popular coach service—and the practice of other carriers to eliminate coach service—is not in the public interest. The proposal of Eastern to raise the price of coach service immediately after a cut in the travel tax was made certainly is ill timed and in extremely poor taste.

A BRIEF HISTORICAL REVIEW OF PAST TARIFF HISTORY OF THE UNITED STATES

(Mr. CEDERBERG (at the request of Mr. CAHILL) was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. CEDERBERG. Mr. Speaker, before entering into a detailed discussion of the measure now coming before Congress, let us induce perspective briefly by reviewing past tariff history of the United States.

The Washington administration's tariff law of 1789 was the first act passed by Congress. Its purpose, according to Mr. James Madison, of Virginia, was to "be productive of revenue—and to—protect our domestic manufactures." These twin policy objectives have governed our Nation's lawmaking objectives from 1789 to the present, and still will unless H.R. 11970 passes and throws both of these objectives into the ashcan.

The next major national foreign commercial policy action was taken pursuant to an order of the House of Representatives of January 15, 1790. President Washington's Secretary of the Treasury Alexander Hamilton was asked to report to Congress, and he presented a "Report on Manufactures" on December 5, 1791, setting forth briefly the foreign commerce philosophy of our first national administration. It is highly protectionist in nature—and the bible of American industries ever since.

The twin principle of tariffs both for protection and for revenue was supported by that and subsequent administrations for the next half century—with heavy emphasis on the protective aspects. These early Presidents were all concerned with and favored tariffs both for revenue and protection.

From those early days to the present, many gyrations in the foreign commerce policy of the United States have occurred. Upon occasion, the emphasis was on revenue. On occasion, the emphasis was on protecting domestic industry. Historically speaking, it can be said that these two fundamentals were intertwined: revenue and protection. The emphasis changed, but the two principles governed.

H.R. 11970 would completely reverse this 173 years of precedent. It virtually eliminates the principle of protection. As a belated aftermath of the 16th amendment to the Constitution, H.R. 11970 would, for all practical purpose, discard customs duties as an important source of public revenue at a cost to the American taxpayer of at least $500 million a year.

COMMENTS ON H.R. 11970, THE SO-CALLED TRADE EXPANSION ACT OF 1962

(Mr. CEDERBERG (at the request of Mr. CAHILL) was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. CEDERBERG. Mr. Speaker, on considering H.R. 11970, this House should first understand the salient characteristics of this proposed measure. Integral to any consideration of H.R. 11970 is the recognition of its substance and meaning.

In essence, H.R. 11970 is one more extension of the Trade Agreements Act of 1934, the 12th such extension, and a radical one.

It carries certain broader authorities to the Executive, some hypothetical; and includes the Federal handout and subsidy principle rejected by the 1953 bipartisan Randall Commission and by the Congress ever since.

The measure's fundamental feature is authorization for the Exectuive to negotiate trade agreements for reductions in U.S. tariffs by as much as 50 percent, to be staged over a 5-year period. While the reductions are intended to be reciprocal, past experience has shown that they usually turn out to be unilateral. The Trade Agreements Act of 1934 likewise permitted reductions up to 50 percent, as did the 1945 extension of the same act. This key feature of H.R. 11970 is nothing new. The 1934 act and the 1945 extension lacked any reciprocity provisions which ever proved effective. Their mandate was vague and the use of the word "corresponding" proved meaningless.

Certain features of this measure differ quite radically from the basic existing statutes and from the terms of the previous 11 extensions.

But, make no mistake about it, the heart of the measure is the 50-percent tariff reduction.

The additional features include authorization for:

First. Total elimination of duties of 5 percent or less. These low duties negotiated through previous trade agreements, now provide Federal revenue, but only infrequently protection. This provision means, or presages, the virtual end of our Nation's 173-year use of tariffs as a revenue-producing method—thus requiring other revenue sources to be tapped, and in substantial amounts.

Second. Total elimination of duties where 80 percent of world trade originates within the United States and the European Economic Community. This provision is most hypothetical in that the European Economic Community membership is in a state of flux. Such authority for the Executive will probably prove viable only if the United Kingdom and perhaps others should join that Community. Whether objections from British trade unions, rural interests and the Commonwealth countries will permit the United Kingdom to join is highly conjectural. For instance, the New York Times of June 20 reports:

> The original timetable may be kept, officials said, but Mr. Heat hand other officials are not optimistic.
>
> The outline of the possible agreement, it is feared, may prove so vague that the Commonwealth leaders will find in it little of substance for debate. There is some talk among qualified sources of postponing the meeting until later in the autumn or even of having two meetings, one in September and the other in November.
>
> Whatever the timing agreed upon, it is clear that the British cannot look forward to a perfunctory acceptance of the outline or, eventually, of the terms. As Mr. Heath put it delicately in speaking to newsmen today, "The Commonwealth Prime Ministers will discuss this together and will undoubtedly influence each other."
>
> The Commonwealth's insistence on the preservation of some measure of preferential treatment for its exports is one reason for the revision of the timetable, sources said.
>
> The other has been the development within the French and German Governments of strong hostility to any arrangements that would perpetuate Britain's political and economic ties with the Commonwealth. This is based on a desire to keep the Common Market European in content as well as context.
>
> BRITISH DEBATE GROWING
>
> While this fundamental difference over the Commonwealth has been emphasized by the negotiations in Brussels, a national debate of surprising vigor has been gathering momentum in Britain.

The strength of the political opposition to entry, which transcends party lines, and the reduced influence of the Macmillan government indicate that legislation enabling Britain to enter the Market would have rough passage through the House of Commons.

This marks another radical departure from the Government's view of 6 months ago. Then it was said with assurance that Conservatives had been elected to carry out their policies and that their majority of about 100 in the Commons would insure that this particular policy was carried out.

Nor have the leaders of some European Economic Community nations shown any strong desire for British accession to the new market.

Third. The establishment of the use of Federal funds to phase out an industry as an alternative to tariff or quota relief to maintain industries and workers injured by imports. This, for the first time in our tariff law history, would clearly presuppose that injury will follow the opperations of the law, and that certain industries and their workers are expendable if freer trade requires it. This would represent a wholly new principle in tariff law—and could rapidly extend to other areas of law such as defense contracts. In this principle is contained ramifications of the utmost gravity for our economy.

Fourth. Certain special provisions designed to encourage world trade in products originating in tropical countries. If not used foolishly by the State Department, this appears to be a reasonable enough effort to improve the relatively and rapidly deteriorating trade position of the underdeveloped and new nations, taken vis-a-vis the industrial nations—that is, if the Executive grant of authority requested is linked with European Economic Community as the permissive provisions state, and is not just another unilateral grant of power to the Executive.

Fifth. Weakening the now established escape clause, whereby domestic industries injured by imports or the threat of imports may seek quota or tariff relief. Substantial escape clause relief is provided in GATT and is customary in other nations, but apparently is now to be little used in ours under H.R. 11970.

Sixth. Virtual elimination of another established feature of law, the so-called peril-point provisions, whereby domestic industry is afforded a hearing and the Tariff Commission is required to make a finding as to the levels below which tariff reductions may not be negotiated in trade agreements except under certain specified conditions.

In its conscientious effort to seek equity, the Congress devoted over 14 years of thoughtful and hard work to developing these two latter provisions of present law, escape clause and peril point. Truly, the escape clause and peril points were hammered out on the anvil of extensive, hot, and honorable debate—in committees, in House, and in Senate. Admittedly not perfect, their improvement would logically seem to overweigh their virtual destruction as in H.R. 11970.

The measure further fails to repeat Congress previous disclaimers of the GATT; it contains permissive language, designed to foster agricultural and other exports, but these are wholly lacking in legislative teeth; and it may cause some eliminations of the so-called product-by-product tariff classifications and reductions long established in our law, in that it authorizes the U.S. Tariff Commission to develop new and broader classifications for European Economic Community negotiations.

The measure contains no mandatory requirement that U.S. exports be treated with reciprocity abroad. Again, leave it to the State Department and end up with little reciprocity.

And, last but not least, it contains a provision whereby Congress, by a vote of both Houses, can reject the President's denial of a Tariff Commission recommendation. If high privilege were granted such a motion, it might have some utility. But without the privilege feature of the 1958 law, it is virtually useless.

It should be noted that already existing in law is a permissive provision under the presently extant Tariff Law of 1930—section 338—which contains authority for severe penalties against nations which discriminate against U.S. exports. This has never been invoked by the same State Department which now solemnly says that it will ensure reciprocity. Reciprocity is only implied by the use of the word "corresponding" in the Trade Agreements Act of 1934, but is often used to describe that bill as the "reciprocal trade agreements law." It has never been practiced.

THE LATE HONORABLE FRANCIS CASE

(Mr. NYGAARD (at the request of Mr. CAHILL) was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. NYGAARD. Mr. Speaker, I rise to join my colleagues in expressing a profound sense of loss over the passing of Senator Francis Case, of South Dakota. We were, in a sense, neighbors, with many of the projects he sponsored also benefitting North Dakota as well as his beloved South Dakota. He served his State loyally and ably for many years in the House of Representatives and the Senate.

It is a sad experience for all of us here in Washington to see such a great friend of the people pass on. But imagine what the loss must be to South Dakota. The people there have lost a respected, sincere voice that always spoke for their best interest.

Throughout his long service to his State and country, he was one of the most diligent, sincere men ever to appear in the Halls of Congress. His countless contributing to all Americans will always be remembered.

Fitting words are hard to summon at a time like this, but the thoughts that occur are many. Suffice it to say that we who had occasion to know him and to see his achievements will miss him. I wish to extend my deepest sympathy to Mrs. Case, their child, and grandchild.

IN THE NAME OF FREEDOM

(Mrs. ST. GEORGE (at the request of Mr. CAHILL) was given permission to extend her remarks at this point in the RECORD and to include extraneous matter.)

Mrs. ST. GEORGE. Mr. Speaker, the following brief editorial in the Wall Street Journal of June 27 sums up the shocking reaction of most of us to the recent Supreme Court decision regarding prayer in our public schools.

This seems a flagrant misinterpretation of the first amendment to the Constitution which says:

Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof.

Of course, this simple prayer does not establish a religion, but the Supreme Court does "prohibit the free exercise thereof."

IN THE NAME OF FREEDOM

"Almighty God, we acknowledge our dependence upon Thee, and we beg Thy blessings upon us, our parents, our teachers, and our country."

This is the simple, nondenominational prayer which the U.S. Supreme Court has now ruled an offense to the Constitution. It was devised by the New York State Board of Regents and recommended for use in the State's public scools.

The Court decision is significant not only in itself but also as symptomatic of a broader move in the Nation toward the rigid exclusion of all traces of religion in the public schools. We think this attitude bespeaks considerable confusion and no abundance of commonsense.

Justice Black, writing for the 6-to-1 majority, contends that the New York prayer violates that part of the first amendment which says: "Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof." Specifically, he charges that it does establish religion.

Now, if it were true that that the prayer constituted an establishment of religion, it would be a serious matter indeed. The authors of the Bill of Rights wrote the establishment clause because they understood very well the perils of state religion and the tyranny which can go with it—which in fact had driven many from the Old World to the New to find religious freedom.

But only a violent wrenching of language can produce the interpretation that the prayer establishes a religion. If one looks at its 22 innocuous words, it must be asked, What religion? Nor does it interfere with anyone's constitutional right of free exercise of religion, including the right to practice no religion and believe in none. It is nondenominational; it is not mandatory in any school; no pupil is required to recite it.

It is simply one among innumerable official governmental references expressing what the Court itself said 10 years ago, that by and large Americans are a religious people. As Justice Stewart observes in his dissent in the present case, "to deny the wish of these schoolchildren to join in reciting this prayer is to deny them the opportunity of sharing the spiritual heritage of our Nation."

If the majority opinion prevails, however, it must logically require the excision of all those countless other official references to God—such as in the Declaration of Independence, the Pledge of Allegiance, the Star-Spangled Banner, the words used to inaugurate the President, open the Congress and convoke the Supreme Court itself. Justice Douglas, concurring with the majority, seems to say it does and should apply to these and all the other official instances.

And that is by no means all. If the majority doctrine stands, then anything that smacks of religious instruction or the subtle imparting of a religious viewpoint in the public schools becomes suspect. Do not suppose this to be a fanciful exaggeration. Already the Bible is banned from some schoolrooms. Already a Florida court decision has declared school observances at Easter and Christmas to be unconstitutional, and similar efforts are afoot elsewhere. (Poor kids, if they can't even sing Christmas carols.)

As for banning the Bible, with its magnificent poetry and philosophy, that is but the bare beginning, since so much of our culture is biblical in derivation. In Matthew Arnold's phrase, the mainstreams of Western civilization are Hebraism and Hellenism, and by Hebraism is meant the whole Judaeo-Christian tradition and ethic.

Shall we then uproot it? Out the window with everything from Dante to Donne, from Milton to Dickens? Or how can public school teachers teach about Bach or Michelangelo, when the context is so inescapably religious? What is left of history?

Thus carried to its conclusion, the argument reduces itself to absurdity. That is why we would enter a plea for the exercise of a little commonsense. Any actual attempt to establish a specific state religion is a danger that ought to be easily recognizable. But it is something entirely different to suppose that, short of unimaginable police tactics, teaching about religion can be divorced from the American education with which it is inextricably bound up as a central fact of our heritage.

Those who persist in such attempts had best take care lest, in the name of religious freedom, they do real damage to free institutions.

SUPREME COURT DECISION ON PUBLIC SCHOOL PRAYER

(Mr. SILER (at the request of Mr. CAHILL) was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SILER. Mr. Speaker, many of us in Congress as well as people throughout our entire Nation have suffered severe shock this week by reason of the Supreme Court ruling that all the prayers such as we learned from the tutelage of our mothers are now in conflict with the Constitution whenever these prayers are recited in any of the public schools of our country.

Now that this has occurred, the very best thing to be done is to adopt an amendment to the Constitution that would legalize these prayers upon which the greatness of our Nation has been built. Many Members of Congress have talked this week about introducing resolutions seeking to amend the Constitution in this respect and some of these Members have in fact already introduced such resolutions. However, I call the attention of this House to a resolution of my own that has been pending since January 4, 1961, that seeks to amend our Constitution so as to recognize our Nation as a Christian nation and thereby legalize the prayers mentioned. My resolution, is House Joint Resolution 103, and there are a number of other resolutions identical with it that have been pending for months in both the House and the Senate. The Committee on the Judiciary has never given us the courtesy of a hearing and that committee does not seem likely to do so in view of the religious or irreligious convictions of some on that committee. But I respectfully suggest that the committee now hear and approve my own resolution and others like it and start the wheels rolling toward this very necessary, desirable, and worthwhile amendment to the fundamental law of our land.

Any nation that has been so often carried safely across the Red Sea of war and has so frequently been sustained by the manna of economic survival in its times of depression should certainly be great enough just to acknowledge officially, constitutionally, and publicly that "There is a God in Israel."

RESIDUAL FUEL IMPORTS A DANGER TO THE BITUMINOUS COAL INDUSTRY

(Mr. SCRANTON (at the request of Mr. CAHILL) was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SCRANTON. Mr. Speaker, the bill before us fails to deal adequately with a problem of paramount concern to the employees, management and ownership of the bituminous coal industry—an industry born in Pennsylvania and still one of the Commonwealth's economic mainstays.

The problem concerns the continuing increase in imports of residual fuel oil for use, as a direct competitor of coal, in the industrial markets of the Northeast. It has nothing to do with home heating units, which are not capable of burning this type of fuel.

While residual fuel imports have jumped from 127 million barrels in 1957 to 185 million this year, coal production has shrunk over the same period from nearly 500 million tons to about 400 million.

President Eisenhower, seeing this trend, late in 1959 exercised his authority under the present Reciprocal Trade Act and imposed a quota that cut residual imports from 171 million barrels in 1959 to 154 million in 1960. However, despite his alleged concern for unemployed miners, President Kennedy has increased the quota for this year to 185 million barrels.

Mr. Speaker, those coal miners who are still so employed want neither a dole nor a vague promise of "retraining." They want to keep their jobs. Nor do management and owners of the mines want to be shown, at Federal expense, how to turn their talents and capital to other uses. They want to continue the development of our greatest fuel resources.

The bill before us should include some provision for coal's protection against dumping into our markets of "waste" fuel from abroad.

PRAYER IN THE PUBLIC SCHOOLS

(Mr. BOW (at the request of Mr. CAHILL) was given permission to extend his remarks at this point in the RECORD, and to include extraneous matter.)

Mr. BOW. Mr. Speaker, I hold in my hand an envelope showing a stamp with the profile of Benjamin Franklin. This stamp is canceled with the mark "Pray for Peace." I am reminded that it was Benjamin Franklin who made the motion that the Constitutional Convention daily sessions be opened with prayer, and this is what he said at that time.

I have lived a long time and the longer I live the more convincing proof I see that God governs in the affairs of men; and if a sparrow cannot fall without His notice, is it probably that an empire can rise without His aid? Except the Lord build the house, they labor in vain who build it. Without His concurring aid—

Said Franklin—

We shall proceed no better than the builders of Babel.

I am glad to note that the Post Office Department, unlike the Supreme Court, recognizes the need for prayer in our daily lives, and I hope that Franklin's admonition will not be forgotten by any other agency of Government including the public schools.

RECIPROCAL TRADE AGREEMENTS PROGRAM

(Mr. MATHIAS (at the request of Mr. CAHILL) was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MATHIAS. Mr. Speaker, the House is today debating the reciprocal trade agreements program which has been strongly advocated by the administration and by many segments of American business, industry, and labor. It has been vigorously opposed by other elements of the American community which feel that it is either premature or involves changes too drastic considering the present condition of American business.

Prior to the beginning of this year an informal discussion of the problems which led to the proposal of the program was initiated by Members of Congress and their constituents. One of the positive results of such discussion was the illuminating statement published in the CONGRESSIONAL RECORD on January 15, 1932, by Senator PRESCOTT BUSH and the distinguished gentleman from Missouri [Mr. CURTIS]. In that statement they pointed out that the trade agreements program by itself could not resolve all the questions now facing those interested in stimulating our foreign trade. As the informal debate of recent months has now crystallized in formal debate before the House of Representatives, I should like to suggest that the program before us cannot be discussed and determined in a vacuum. As we debate the reciprocal trade agreements program we must not be blind to the other concomitant legislative programs which must accompany it if it is to achieve a fraction of its purpose.

There will have to be some correction in what we might call the domestic ground rules in order for American business to compete in world markets. These changes should include, first, a

comprehensive reform of the tax structure; second, realistic depreciation allowances; third, elimination of inflationary trends and Federal deficits; and fourth, encouragement of private investment in expanding markets of the world.

Regardless of what decision this House makes in regard to the reciprocal trade agreements program, I feel that its job will not be completed until it has resolved the further questions that have been raised and any other issues which place American industry, business, and labor at a disadvantage in the marketplaces of the world.

In the event that this House, the other body concurring, enacts a program similar to that now under debate it will have assumed a heavy responsibility. The administration has sought our approval of the program but we may well ask whether or not it is prepared and equipped to go forward with the necessary accompanying steps. If the Congress sees fit to approve this program it must be prepared to make up for the deficiencies of the executive in the area of economic policy.

THE POLISH AMERICAN CONGRESS FULLY ENDORSES AID TO POLAND

(Mr. McDOWELL (at the request of Mr. HAGAN of Georgia) was given permission to extend his remarks at this point in the RECORD and include extraneous matter.)

Mr. McDOWELL. Mr. Speaker, the supreme council of the Polish American Congress, in the statement of policy adopted at a meeting on June 15 and 16, 1962, in Washington, D.C., appealed to the House of Representatives—and I read:

> To reject all amendments to the foreign aid legislation which would restrict the President's authority to extend aid to the people of Poland whenever he finds this to be in the interest of the United States.

The policy statement went on to say that:

> We hold no sympathy for Gomulka and his Soviet-imposed regime. We deplore absurd attacks on the United States made by the Soviet Communist puppets now dominating Poland. * * * Nevertheless, it is our considered opinion that mutual benefits to be derived from American aid to Poland far outweigh any annoyances which may result.

The Polish American Congress, speaking on behalf of over 7 million Americans of Polish ancestry, has properly appealed through its able president, Charles Rozmarek, to the Members of the House of Representatives to vote against the crippling Senate amendments, saying, reasonably:

> We firmly believe it is important for the United States to maintain contact with the people of Poland. We think that the President should preserve his present authority to provide help to the people of Poland through the sale of surplus farm commodities and through the media of other humanitarian projects deemed by him as proper.
>
> Do not weaken the resistance of the people of Poland to communism. Do not force them into an unwanted dependence on Russia. Do not destroy their faith in the friendship and the good will of the United States.

I include herewith two letters I have received, together with excerpts from my report to the Committee on Foreign Affairs on my findings during my recent special study mission to Poland:

POLISH AMERICAN CONGRESS, INC.,
Chicago, Ill., June 20, 1962.

Hon. HARRIS B. MCDOWELL, Jr.,
House Office Building,
Washington, D.C.

DEAR SIR: The supreme council of the Polish American Congress, in the statement of policy, adopted at a meeting of June 15 and 16, 1962, in Washington, D.C., appealed to the House of Representatives "to reject all amendments to the foreign-aid legislation which would restrict the President's authority to extend aid to the people of Poland whenever he finds this to be in the interest of the United States.

"We hold no sympathy for Gomulka and his Soviet-imposed regime. We deplore absurd attacks on the United States made by the Soviet Communist puppets now dominating Poland. Nevertheless, it is our considered opinion that mutual benefits to be derived from American aid to Poland far outweigh any annoyances which may result."

Speaking on behalf of over 7 million Americans of Polish ancestry, the Polish American Congress again appeals to you to vote against the Senate amendments.

We firmly believe it is important for the United States to maintain contact with the people of Poland. We think that the President should preserve his present authority to provide help to the people of Poland through the sale of our surplus farm commodities and through the media of other humanitarian projects deemed by him as proper.

Do not weaken the resistance of the people of Poland to communism. Do not force them into an unwanted dependence on Russia. Do not destroy their faith in the friendship and the good will of the United States.

Sincerely yours,

CHARLES ROZMAREK,
President.

AMERICAN-POLISH-NATIONAL
RELIEF FOR POLAND,
Scranton, Pa., June 21, 1962.

Hon. HARRIS B. MCDOWELL, JR.,
House Office Building,
Washington, D.C.

DEAR CONGRESSMAN MCDOWELL: Thank you very much for the time extended to me at the time of my visit to your office in Washington.

I took the liberty of distributing your report to practically every member of the delegation of the Polish American Congress meeting, held in Washington on June 16.

You undoubtedly noticed that the Polish American Congress fully endorsed the necessity of aid to Poland. We, on our part, would like to thank you for your stand and hope to meet with you soon after my return from Europe, sometime after July 15. I will accompany a group of over 200 members of our organization who will visit Poland and also acquaint themselves with the operation of American agencies in that country.

After the return of the group from Europe, we will plan a special meeting with you, of which we will inform you in due time and ask for an appointment at your convenience.

Respectfully yours,

KAROL H. SITKO,
General Secretary.

SPECIAL STUDY MISSION TO POLAND AND AUSTRIA—REPORT

(By Hon. HARRIS B. MCDOWELL, JR., Democrat, of Delaware)

FOREWORD

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FOREIGN AFFAIRS,
Washington, D.C., June 8, 1962.

Hon. THOMAS E. MORGAN,
Chairman, Committee on Foreign Affairs,
House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: I am submitting for the consideration of the Committee on Foreign Affairs the report of my special study mission to Poland, which country I visited during the congressional Easter recess.

I trust that the information contained in this report will be useful to the committee and to the Congress in connection with the consideration of foreign policy legislation.

HARRIS B. MCDOWELL, Jr.,
Delaware.

PREFACE

Since 1957, the United States signed five separate agreements with Poland providing for the sale of our surplus agricultural commodities. The total amount involved in these agreements is approximately $426 million. Under the terms of these agreements, the proceeds from the sale of our agricultural commodities are deposited by the Government of Poland, in zlotys, to the account of the United States. These zlotys can be used by the U.S. Government to defray local expenses of the U.S. Embassy in Warsaw, of the U.S. Consulate in Poznan, and of various U.S.-sponsored programs. The unused balance of the zlotys is to be repaid by the Polish Government in dollars, beginning 10 years after the signing of the first agreement.

The total amount of zlotys available to the U.S. Government from the sale of our surplus agricultural commodities in Poland is considerable. As of December 31, 1961, only a small fraction of these funds—approximately $2 million—had been disbursed for governmental purposes. The balance may be utilized, as necessary and appropriate, to promote the objectives of U.S. foreign policy with respect to Poland.

In the 1961 state of the Union message to the Congress, President Kennedy expressed his intent to explore the possibility of using a greater portion of Polish zlotys, accruing to the account of the United States from sales under Public Law 480, on "projects of peace that will demonstrate our abiding friendship and interest in the people of Poland." A number of such projects have already been initiated. Others are in the process of being discussed and considered within the executive branch.

As a member of the Subcommittee on Foreign Economic Policy, I traveled to Poland during the Easter recess. I was accompanied by Mr. Marian A. Czarnecki, staff consultant to the committee. The purpose of the study mission was to survey conditions prevailing in Poland; to review U.S. activities in Poland financed with zlotys accruing to our account from the sale of agricultural surpluses under Public Law 480; and to inquire into the advisability of continuing or expanding such activities.

The study mission left Washington on April 19 and returned on April 29. In Poland, we had a series of conferences with Ambassador John Cabot, members of the American Embassy staff, representatives of U.S. voluntary organizations conducting programs in Poland, and Polish Government officials. We inspected the distribution of U.S. surplus farm commodities, visited schools, hospitals, construction and other projects, and spoke to many Polish people. The study mission also visited the construction site of the American Research Hospital

for Children in Krakow, the first project of this type to be financed jointly by private American contributions and Public Law 480 zlotys. This is also the first hospital to be constructed with U.S. assistance behind the Iron Curtain.

In Warsaw we conferred with several Polish Government officials including Deputy Foreign Minister Winiewicz, Minister of Health Sztachelski, Vice Minister of Health Dr. Widy-Wirski, Director of the Office of International Cooperation Rabczynski, members of the foreign affairs committee of the Polish Sejm, and others.

Apart from the visit to Poland, the study mission received briefings on the military situation in Europe in general, and in Berlin in particular, from Gen. Truman H. Landon, Commander in Chief, U.S. Air Force-Europe in Wiesbaden; Maj. Gen. Albert Watson, II, U.S. Commander, Berlin; Gen. Lauris Norstad, Supreme Allied Commander, Europe; and Gen. Earl G. Wheeler, Deputy Commander in Chief, U.S. European Command, as well as briefings on the political situation from Ambassador Walter Dowling, U.S. Ambassador to the Federal German Republic, and from mission and embassy staffs in Berlin, Vienna, and Paris.

FINDINGS AND RECOMMENDATIONS

Few nations in recent history have suffered as much or as long as the people of Poland. Invaded by the Nazi war machine on September 1, 1939, and shortly thereafter attacked by the Soviet armies from the east, Poland was subjected to a ruthless occupation. Millions of her people perished during the fighting and the occupation. Some of her cities were almost completely destroyed. In 1945, nearly half of her prewar area was annexed by the U.S.S.R. And since the war, her people have lived under Communist domination, deprived of the right to fashion their future within the framework of free democratic institutions.

Today, Poland is clearly a member of the Soviet bloc. The governing regime has not been freely elected by her people. It was foisted upon them by the Soviet Union. Poland is presently bound to the U.S.S.R. not only through such formal instrumentalities as the Warsaw Pact, but also because of its exposed geographic position and its heavy economic dependence upon the Soviets. Even more important is the fact that Soviet troops are still present in Poland, as well as on her eastern and western borders.

These facts make Poland an integral part of the Soviet bloc. The Polish position on international issues reflects this, and rarely differs from that of the bloc itself. U.S. policies with respect to Poland must take these factors fully into account.

Nevertheless, Poland differs substantially from the other members of the Soviet bloc. Historically, her people have a basic orientation toward the West. Their antagonism toward Russian domination is of long standing. Their distrust of Germany has deep historical roots. Their nationalist sentiments are very strong. Poland's tradition, and the independent spirit of her people, have been instrumental in enabling her to attain a unique position within the Soviet bloc.

The attainment of that position dates back to Gomulka's rise to power in Poland in 1956. Since that time, the Polish Government has enjoyed a measure of autonomy in internal affairs. Only a small part of Polish agricultural land is collectivized. Freedom of worship exists today in Poland, although its exercise has been made progressively more difficult. The Gomulka regime has permitted a diversity of expression in the arts which is unmatched elsewhere in the Soviet bloc. It has also allowed more extensive contacts with the West than are permitted by other satellite countries. This is true in terms of scientific and cultural contacts, exchanges, tourist travel, and the immigration of large numbers of Poles to various Western countries.

Beginning in 1957, there has been a big change in Poland's relations with the United States. This change was reflected on political and economic levels. Within certain clearly defined limits, we resumed some of our trade relations with Poland. We entered into more extensive exchange programs with Poland than with any other bloc country. On the other hand, U.S. officials in Poland have been permitted to travel, to make and to develop broader contacts. U.S. voluntary organizations have been able to administer food distribution programs which give credit to the United States as the source of the distributed foods. And Voice of America broadcasts are permitted to enter Poland without being jammed.

The extent of our trade relations with Poland, and of our activities in that country, will be discussed in some detail in the following section of this report. At this point, we should like to summarize our impressions regarding the course of United States-Polish relations since 1957.

We believe that the change has been constructive. It has reflected our recognition of Poland's unique position in the Soviet bloc. It has demonstrated our willingness to take advantage of the opportunity to make U.S. presence felt in Poland. And it has served to sustain and enlarge the substantial reservoir of good will toward the United States among the people of Poland.

The Poles have a big job on their hands. Their cities still show ample evidence of the ravages of war. Their industrial base is small and appears largely obsolete. Their farming methods and implements seem to a large extent outdated. Poland is a relatively poor country. She is economically dependent on the Soviet Union. Her people need help to improve their level of living. Any help from the West which aids them in improving their lot, and in reducing their economic dependence on the Soviet Union, is welcomed and appreciated.

U.S. assistance, extended during the past 5 years primarily through the sales of our surplus agricultural commodities under Public Law 480, appears to have had a favorable impact. It enables us to maintain our presence in Poland. It provides us with nondollar resources with which we have established a number of exchanges and contacts with the Polish people. And, through the direct distribution programs, it has brought aid—and tangible evidence of American friendship—directly to hundreds of thousands of Polish children, hospital patients, and families in need.

We should not underestimate the value of this assistance. Apart from relieving want, it advances science, supports cultural and economic aspirations of the Poles, and sustains their hope in a better tomorrow. It shows them that they have not been forgotten—written off by the West.

We are convinced that the attitudes and the loyalties of the people living today under Communist domination will play an important part in the outcome of the long-range struggle between communism and fredom. This struggle exceeds the bounds of a physical contest. It is, ultimately, a struggle for the minds and hearts of men. For this reason, we must try to sustain the hopes, and strengthen the feleing of friendship for the United States, among the Communist-dominated peoples. We have an opportunity to do this today in Poland. We should use it, and use it prudently. We must be willing to invest in the future, without expecting immediate dividends from our investment.

In shaping our policies with respect to Poland, it would be foolhardy to assume that Poland may be detached from the Communist bloc in the immediate future. Nothing that we saw in Poland would justify such optimism. Poland is firmly under Communist control, and, because of her geographical location, is likely to remain so for some time to come. We must keep this in mind. We must expect, and be ready, to change our policies with respect to that country on short notice. The impermanence of our undertakings in Poland is one of the hazards of dealing with a Communist-run country. The alternative to the continuation of our Public Law 480 surplus food programs in Poland would be to deny this humanitarian type of assistance to the people of that country, thereby turning our backs on the tradition of good will and friendship toward the United States which has historically existed between the people of Poland and the people of the United States.

A COMPREHENSIVE LIBRARY DEVELOPMENT PROGRAM

(Mr. CLEM MILLER (at the request of Mr. HAGAN of Georgia) was given permission to extend his remarks at this point in the RECORD and include extraneous matter.)

Mr. CLEM MILLER. Mr. Speaker, I have introduced today a bill which would amend the Library Services Act to make that act more effective in meeting the needs of our public libraries, and of our public school libraries and college and university libraries as well.

My bill represents a cosponsorship of H.R. 11823, introduced by the respected gentleman from West Virginia [Mr. BAILEY] chairman of the subcommittee of the Committee on Education and Labor which will conduct hearings on this subject.

This legislation would authorize a coordinated national program for library development to help meet the increasing educational, informational, and research requirements of the people of the United States.

It is based on recognition that the continued progress of the Nation requires adequate library facilities and services to bulwark the educational and economic foundations of our society. It recognizes that public libraries, elementary and secondary school libraries, and college and university libraries are interrelated, and that their problems and deficiencies should be attacked together.

The Library Services Act of 1956 provided for annual matching grants of $7½ million for 5 years for extension of public library service in rural areas without such services or with inadequate library services. The act was so successful that 2 years ago the Congress extended it for 5 years more—Public Law 86–679.

But the existing act limits the program to areas of 10,000 population or less and does not cover other types of essential libraries which also have serious deficiencies.

The bill I am introducing today continues to provide that responsibility for planning and administering federally assisted library improvement programs rests with the States and the institutions of higher learning.

The bill also is based on recognition of the following:

First. That advances in science, technology, business and government, and other human activities require support-

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14. SUGAR. Sen. Carroll commended the sugar program and paid tribute to former Sen. Costigan for his efforts in the enactment of the original sugar legislation. pp. 11298-9

15. MEAT INSPECTION. Both Houses received from this Department proposed legislation to extend the provisions of the Meat Inspection Act to certain classes of establishments not now subject to the Act; to H. and S. Agriculture Committees. pp. 11291, 11288

16. INSPECTION; RESEARCH. The Foreign Relations Committee reported with amendment H. R. 8982, to authorize construction of a bridge across the Rio Grande at or near Heath Crossing, Tex. (S. Rept. 1668), and with amendments H. R. 9883, to authorize construction of a toll bridge across the Rio Grande near Los Indios, Tex. (S. Rept. 1669). p. 11291

17. LAND-GRANT COLLEGES. Sens. Long (Hawaii), Carlson, and Miller commended the work of the land-grant colleges on their 100th anniversary. pp. 11299, 11322-3, 11359

18. CONSUMER PRICE INDEX. Sen. Humphrey inserted an article on the consumer price index, "Price Index Steady After 3-Month Rise." pp. 11300-01

19. EXPORT CONTROL. Both Houses received the conference report on S. 3161, to provide for continuation of authority for regulation of exports (H. Rept. 1949) (pp. 11238-9, 11288, 11347). By a vote of 44 to 33, agreed to a motion by Sen. Keating to recommit the bill to the conference committee for further consideration, pp. 11347-53).

20. FISCAL CONDITIONS. Sen. Byrd, Va., inserted his statement on the financial condition of the Federal Government. pp. 11334-7

21. LEGISLATIVE PROGRAM. Sen. Humphrey announced that S. 2560, to amend the Interstate Commerce Act, as amended, so as to strengthen and improve the national transportation system, will be considered on Fri., and that there would be a session on Sat. to consider the sugar bill if the conference committee completes its work on the bill. p. 11353

HOUSE

22. FOREIGN TRADE. By a vote of 299 to 125, passed as reported H. R. 11970, the proposed Trade Expansion Act of 1962 (pp. 11141-238, 11245-50, 11253-72, 11282, 11283-4). Earlier, by a vote of 171 to 253, rejected a motion by Rep. Mason to recommit the bill (11237-8). See Digest 101 for a summary of the provisions of this bill.

23. SUGAR. Conferees were appointed on H. R. 12154, to amend and extend the provisions of the Sugar Act of 1948, as amended. pp. 11238, 11278

24. TOBACCO. The Agriculture Committee reported with amendment S. J. Res. 201, to extend the time by which a lease transferring a tobacco acreage allotment may be filed (H. Rept. 1952). p. 11288

25. FARM LABOR. The Education and Labor Committee voted to report (but did not actually report) S. 1124, to provide financial assistance to the States to improve educational opportunities for migrant agricultural employees and their children, and S. 1132, with amendment, to provide for the establishment of a National Advisory Council on Migratory Labor. p. D534

26. PERSONNEL. Rep. Beckworth inserted several letters pertaining to the use of assembled and unassembled examinations and boards of U. S. Civil Service Examiners by the agencies. pp. 11273-7

27. EDUCATION. The Education and Labor Committee voted to report (but did not actually report) H. R. 12070, to provide assistance in the field of special education to institutions of higher learning, and to the States. p. D534

Rep. Wilson, Calif., commended the centennial of the land-grant colleges and said, "I am confident our land-grant institutions will continue to be a credit to our country." p. 11278

Rep. McDowell discussed the centennial of the Morrill Land-Grant College Act and said, "more than any other single measure, this act has shaped significantly the educational and, perhaps, the economic development of our Nation." pp. 11284-6

28. SURPLUS PROPERTY. The Government Operations Committee issued a report on evaluation of the donable surplus property program (H. Rept. 1943). p. 11288

29. FOREIGN AFFAIRS. The Foreign Affairs Committee issued a report of the Special Study Mission to the Far East, South Asia, and the Middle East (H. Rept. 1946). p. 11288

30. APPROPRIATIONS. Received from the President an amendment to the budget for fiscal 1963 involving an increase of $382,000 for the civil functions of the Department of the Army (H. Doc. 483). p. 11288

31. ROADS. The Public Works Committee reported with amendments H. R. 12135, the proposed Federal-Aid Highway Act of 1962 (H. Rept. 1948). p. 11288

32. SOIL BANK. The Agriculture Committee reported without amendment S. 3062, to amend the Soil Bank Act to make permanent the existing provision of law authorizing the Secretary of Agriculture to permit the harvesting of hay on conservation reserve acreage in certain disaster areas (H. Rept. 1961). p. 11288

33. SAFETY. The Education and Labor Committee voted to report (but did not actually report) H. R. 12306, the proposed Occupational Safety Act of 1962. p. D534

34. LEGISLATIVE PROGRAM. Rep. Albert announced that the conference report on S. 3161 to extend the Export Control Act, will be considered on Fri., and the conference report on H. R. 12154, to extend the Sugar Act, will be considered on Sat. if reported by the conference committee. p. 11244

ITEMS IN APPENDIX

35. TOBACCO. Extension of remarks of Rep. Evins inserting an article, "Cigarette Taxes: Enough Money to Pay for U. S. Space Program," and stating that tobacco is now one of the principal sources of public revenue for all levels of government. p. A4924

36. PEACE CORPS. Extension of remarks of Rep. Flood inserting an article, "Peace Corps Thrives In First Year Abroad--Nations Ask More As 1,000th Recruit Heads Overseas." pp. A4925-7

Extension of remarks of Sen. Kerr inserting an address by Director Shriver on the operations and programs of the Peace Corps. pp. A4933-5

37. WATER RESOURCES. Extension of remarks of Rep. Weaver inserting the report of the projects committee to the 49th convention of the National Rivers and Harbors Congress. pp. A4927-9

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

CORRECTION OF RECORD

Mr. FEIGHAN. Mr. Speaker, in the RECORD of yesterday, June 27, page 11087 second column the question which I asked the gentleman from Louisiana [Mr. BOGGS] is incorrect. I would like to have it corrected to read as follows, which was the exact wording of my question:

In other words, is wider discretion accorded the Executive through this act in matters relating to trade with the Communist bloc countries?

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

Mr. BOGGS. Mr. Speaker, reserving the right to object, I would like to have the RECORD show that the answer to the question propounded by the gentleman from Ohio is "No." Is that correct?

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

FREE ENTERPRISE TRIUMPHING

(Mr. JOELSON asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. JOELSON. Mr. Speaker, I believe that events in recent months have demonstrated the durability of the free enterprise system and the inherent weakness of communism.

The remarkable prosperity of the West European economy makes apparent the falsehood of the Marxists who predicted the downfall of free enterprise in Western Europe. The fact is that after the devastation of World War II, Western Europe rose from the ashes with the help of the United States, the greatest exponent of a free economy in the world.

Look at the food crises in Soviet Russia and Red China, and remember how fortunate we are that our agriculture problems revolve around food surpluses rather than famines.

The democratic nations are demonstrating to the world that we can have both bread and freedom. We should all be thankful to live under a way of life that provides abundance without fear.

Khrushchev knows this now. That is why he builds walls in Berlin to fence in the people. If communism were the peoples' paradise he claims it to be, no walls would be required.

PROVIDING THAT ALL COURTS OF THE UNITED STATES BE OPENED WITH PRAYER TO ALMIGHTY GOD

(Mr. BAKER asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. BAKER. Mr. Speaker, I have today introduced the following bill, "that each session of all courts of the United States be opened with prayer to Almighty God," which I commend to the attention of the membership of the House of Representatives and of the Supreme Court of the United States.

TRADE EXPANSION ACT OF 1962

Mr. MILLS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 11970, with Mr. BOLLING in the chair.

The Clerk read the title of the bill.

Mr. MASON. Mr. Chairman, I yield such time as he may desire to the gentleman from Connecticut [Mr. SEELY-BROWN].

(Mr. SEELY-BROWN asked and was given permission to revise and extend his remarks.)

Mr. SEELY-BROWN. Mr. Chairman, I am in favor of expanding trade. I also am sure that few will quarrel with the importance of achieving a gradual, selective, and truly reciprocal lowering of trade barriers among the nations of the free world. I emphasize the words "gradual," "selective," and "truly reciprocal" to indicate their importance and significance.

My quarrel is not necessarily with the end goal, but rather with the best way to achieve it. I do not believe that this bill, H.R. 11970, presently before us under a closed rule which permits no amendments other than committee amendments, will by itself expand American trade. On the contrary, I believe it may result in the tragic loss of jobs for the American worker.

If we pass this bill in the form in which the rule forces us to act upon it, we are throwing away the safeguards to American jobs that have been considered essential throughout the 28 years that the Trade Agreements Act and its several extensions have been in effect.

Here once again we face a package deal and a request for more Presidential power—all under a closed rule. For the first time in history, we have a bill before us, proposed by the administration and with the recommendation of the Ways and Means Committee, to give the President the power to transfer imported articles from the dutiable to the free list. Always before, Congress lived up to its responsibilities under the Constitution. Even during the whole period of the reciprocal trade programs when Congress enacted no new tariffs and duties were increase only under the peril-point or escape-clause provisions, Congress itself frequently passed laws suspending duties or transferring items to the free list. Now the President wants to take this function away from the Congress, in addition to the renewal of the President's power to lower duties.

We are unfaithful to our trust if we accede to his request to do this.

In spite of language introduced at the last moment by the committee as an amendment purportedly giving Congress a semblance of responsibility, I question both the wisdom and the necessity of handing to any President—regardless of his political affiliation—the final deposit of constitutional power and responsibility remaining with the Congress to regulate imports as directed by article I, section 8, of the Constitution.

When the President, at the opening of this session of the 87th Congress, announced his intention of submitting to Congress the bold grab for Executive power which he called his trade expansion program, I said publicly that I must have the answers to some major questions arising from the President's request for more power.

On February 7, I submitted some of these questions to the administration. In due course, I received from the State Department some answers. I do not consider that they are satisfactory answers.

These were and are my questions:

First. Can increased exports, supposedly the announced goal of the President's proposals, clear up our deficit in the international balance of payments?

Second. Will reductions in tariffs between the United States and the countries of the Common Market increase or decrease the ability of American industry to compete, not only for markets in those countries but in our own domestic market and all over the world?

Third. Will Western Europe accept increased imports from Japan and other low-wage countries which now are completely excluded from these countries?

Fourth. Are the United States and Western Europe presently prepared to press for free trade in agricultural products and in energy resources—coal and oil—which are now being largely excluded?

Fifth. Are Western European countries going to continue to trade with Communist bloc countries while we do not, or are we going to have a uniform policy on this most important question?

Sixth. What, specifically, is going to happen to the workman here at home who, through no fault of his own, loses his job?

I shall not bother you with the answers, which, at best, are inconclusive—all but the last question. The answer to that you can see right here in the bill before you. The help provided in title III—and I support what it tries to do—is at best only a poor substitute for a job, particularly for the worker who has built up seniority in his trade.

The fact that the administration regards the "trade adjustment assistance" provision as one of the most important in the bill emphasizes the futility of the entire program. How can the people of the United States advance or even hold their own in economic progress for ourselves and our friends if the key to "trade expansion" is "trade adjustment assistance"?

I still want the answers to those questions, Mr. Chairman.

The administration has not answered them, because it cannot presently answer them decisively.

The purported opportunity for greatly expanding our trade with the countries which are the members of the Common Market in Europe is supposed to be the compelling reason for pushing the administration's trade expansion program at this time.

However, there are some important questions concerning the Common Market itself which must be answered, some of which are included in my own questions above. One of the most important questions of all is whether or not Britain is to become a member of the Common Market.

Another question pertinent to the high and perhaps exaggerated hopes of the administration concerning the Common Market is the major source of friction between the United States and its allies in NATO—the lack of a unified policy toward trade with the Communist bloc countries. The United States imposes stiffer controls on exports to Communist nations than do our NATO allies. Some of them are shipping increasingly large quantities of goods to these countries, thus strengthening both the military and the industrial potentials of the Communist bloc.

H.R. 11970 permits reductions in American tariffs to zero on commodities in which the Common Market and the United States jointly control 80 percent of the world trade. However, it does nothing to eliminate this source of friction.

On the contrary, it almost certainly would increase that friction, since trade between Western Europe and the Communist bloc would be counted in computing the 80 percent. Therefore, we have the ridiculous situation, in which the more trade our allies can promote with Communist bloc countries, the more they can be effective in reducing our tariffs against their exports to us to zero.

We shall in a better position a year hence to have the answers to basic questions which affect our own economy so vitally.

The solution to our problem today, Mr. Chairman, is to extend the Trade Agreement Act, which expires on June 30, for 1 year. The last extension was for 3 years. Had the extension proposed in 1958 been contained in the bill as passed, the present Trade Agreements Act would have continued until June 30, 1963.

I believe that is what we should do now, so that we may have the opportunty to know better what we are doing when it is proposed to have the Congress surrender the power which could mean unemployment, poverty and despair for thousands of American producers and consumers, all in the name of "trade" and "progress."

Mr. MASON. Mr. Chairman, I yield such time as he may desire to the gentleman from Nebraska [Mr. CUNNINGHAM].

(Mr. CUNNINGHAM asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. CUNNINGHAM. Mr. Chairman, I will oppose any effort to withdraw help from the American workers who will lose their jobs as a result of this bill. It is of course admitted that there will be many jobs lost under this bill. There is even a section in the bill which provides aid for these workers.

As for the overall bill, I cannot support it in good conscience.

There are many reasons for my position; three of them are most important to the people of Nebraska:

First. I am not willing to turn over to the executive branch the power and authority which rightly belongs to the Congress. I am not favorable to such a power grab under any administration. The Constitution gives to Congress and only to Congress the power to lay and collect taxes, duties, imposts and excises.

We have given up too much of our constitutional power already here in the Congress. My people did not send me down here to further the trend. To me this issue is so fundamental so far as constitutional government is concerned that I consider my vote on this bill the most important I will cast in the 6 years I have served in the Congress.

Second. I am convinced that the passage of the bill will cost a minimum of 10,000 jobs in the Second District of Nebraska. Many of these jobs will be lost in the packinghouse industry, for Omaha is the largest meat packing center in the world. Under this legislation I can see the import of millions of pounds of meat and meat products from many countries, including Argentina and Australia. Even under the present program too much foreign meat is allowed to enter this country.

Other jobs will be lost in our steel fabricating plants and in other industries. I cannot possibly see how any new jobs would be created in my district if this bill is passed.

Third. I am convinced that we can never compete favorably with foreign countries, even when all trade and tariff barriers are removed. The cheap labor used in foreign plants mean that their products can be shipped here and sold at less cost than comparable American-made products. Whenever this happens, thousands and perhaps million of workers will be laid off and become unemployed. Furthermore, it will downgrade and undermine our entire economy, which is already showing many weaknesses.

It should be borne in mind also that this matter of foreign trade is of less significance than some people would have us believe. I understand that our trade with foreign countries represents only 4 percent of our gross national product.

Mr. Chairman, the Madison Avenue approach has been used to try to sell this proposition to the people. International influences have been very active in promoting this legislation and similar plans for closer and closer economic and political links between the United States and certain other countries. From all the special-interest propaganda it sounds as though a wonderful future awaits us all if only this one bill is passed, and perhaps many people have been convinced by this barrage of high-level "sloganeering."

But, after reading the bill and the testimony, I for one believe it is one of the most dangerous pieces of legislation I have seen before the Congress during my service. I am convinced it will not do the things the intellectual hucksters claim. It is a theoretical sell.

Its practical effects will be bad for American workers and American business firms. I am not opposed to a trade program. I voted for the recent Reciprocal Trade Act, but I cannot swallow this bill. I cannot let down the workers and businesses of Nebraska and throughout the rest of our country.

Mr MILLS. Mr. Chairman, I yield myself 20 minutes.

Mr. Chairman, the Committee on Ways and Means has reported to the House, and the House is considering in the Committee of the Whole, perhaps the most important piece of legislation that has been reported from our committee to be considered by the House during these short few years that it has been my privilege to be chairman of the committee.

Mr. Chairman, during all of that period of time I know of no legislative proposal on this subject that will have a greater impact upon the welfare of the people of the United States, and I know of no legislative proposal that will have a greater impact upon the peoples of the free world than the legislation before us. This legislation, Mr. Chairman, involves economic considerations; it involves military considerations, indirectly; and it involves political implications in the broad sense of that word, also indirectly.

Primarily, Mr. Chairman, this bill is conceived to provide authority for arrangements under which your committee is thoroughly convinced there can be improvements in the economic situation of U.S. business, agriculture, and labor.

Mr. Chairman, in the process of considering the President's request for a Trade Expansion Act of 1962, the committee laid aside the bill that came to the Congress representing the draft of the proposal from downtown. The committee undertook to draft its own bill which it thought responded to the needs within this area.

Mr. Chairman, we have before us a bill today that is as non-political and as bipartisan, as any major bill that has been reported from the Committee on Ways and Means, certainly, this year, for this bill is not the handiwork of just the Democratic members of the Committee on Ways and Means. Every member of the committee on the Republican side as well as on the Democratic side can point to some provision in this bill that he or she desired to have written into it.

Mr. Chairman, I repeat, this bill represents the consensus of judgment of the 25 members of the Committee on Ways and Means and was reported to the House by a vote of 20 members of that committee. I am not saying, Mr. Chairman, that the members of the committee, any one of them, including your chairman, is completely satisfied with every word, every line, and every section in this bill. Mr. Chairman, what I am saying is that it is my sincere judgment that when one weighs this bill, the good parts, against what you may consider the weaknesses within it, any person who has ever supported the program of reciprocal trade agreements in the past must reach the fair and unbiased conclusion that the good in this bill far outweighs any weaknesses which may exist in this bill.

I regret, Mr. Chairman, I cannot make that statement about my dear and beloved friend, the gentleman from Illinois [Mr. MASON], who on yesterday pointed to his record of always having been against the reciprocal trade agreements program in the past. Certainly, to some who have not supported the program in the past, they might reach the opposite conclusion, in all probability. But, Mr. Chairman, I want to impress upon my colleagues who sit to my left, and who were here in 1958 when we provided President Eisenhower with an extension of the Reciprocal Trade Agreements program, by action of the House for a period of 5 years, that President Eisenhower himself thinks that the good in this bill outweighs the bad in it, and that he today supports the bill. Today President Eisenhower is for this bill. I respect him not only as a former President of the United States, but as one of our most distinguished generals in time of war. Every person about whom I know anything who has ever represented the Republican Party in leadership as a candidate for President or as a candidate for Vice President, who is living today, or who has ever been President or who has ever been Vice President on your ticket, or on our ticket, feels today that the merits of this bill outweigh any alleged weaknesses that may be in the bill.

Now, why is this true? Because they, like your committee realize the economic implications to the people of the United States involved in this bill.

Mr. Chairman, they see in this bill, I am sure, as your committee sees in it, the development of a very, very strong weapon in trade to be used under our leadership in assisting the lesser developed countries of the world, South America and elswhere, to gain economic strength, to resist the thrust of Communist infiltration into those areas. There is in this proposal, Mr. Chairman, a specific provision for us to take the commodities of those countries along with our own commodities into the markets of the free world that are more developed, and we will be their partner in engaging in that commerce.

Mr. Chairman, those of us who feel that, perhaps, we use too much of our dollar resources through direct aid in trying to accomplish this objective and to prevent the Communist penetration of these countries, should certainly feel that the action of the committee achieving help to these countries within the confines of this bill is meritorious. As we develop our economic strength through trade, leading them as we will under this program, we then will have to give them fewer and fewer of our dollars in order to sustain their strength.

Mr. Chairman, there are many reasons why these leaders in the United States today who faced the American people in the elections of the past think that this is important to the United States. But let me ask you, Is there any doubt in the minds of a majority of us on either side of this aisle, about the importance of our retaining access to these countries of Western Europe, and particularly the countries that will go behind this common tariff wall known as the European Common Market? Let me talk to those of you who represent agricultural districts and to those of you who represent industrial districts. Do you realize that our annual exports to these six countries last year amounted to $7 billion, $1.1 billion of which was agricultural? All of the countries which purchased goods from us for dollars, involved total exports of $20 billion and imports of $15 billion.

These figures have been bandied about. Let us break them down and see what they mean. Of the $15 billion that we import 60 percent or $9 billion at least is not at all competitive with any article or item that we produce in the United States or that affects production or growth here in the United States. We are talking about a trade bill from a competitive point of view and the creation of economic betterment at home, and jobs at home. There is a difference between $20 billion that goes across from our shores to the free world markets and $6 billion that comes into the United States that might, to some varying degree or extent, be competitive with an article made in the United States of similar kind. That is the difference in the competitive situation.

How can we say, under a record such as that, one that was carried on in your administration and carried on in my administration during the thirties, the forties, and the fifties, that we have not used this tool in foreign economic policy to enhance and improve the economy of the United States?

Now, Mr. Chairman, we are faced with a great challenge. We are faced with a challenge to our ability to hold on to a part of this $20 billion of exports; namely, the $7 billion to the Common Market. Are we to say today, while this growth is taking place in Europe and while this solidifying process is occurring and a wall is being created, that we think it best for the interests of the United States to sit back and take another year to view it?

Do you know that they do not care much whether we get into the market with our products or not? Does the German over there who has free access to the Italian market welcome the competition of the American farmer, the American produced in that same Italian market? If we show a hesitancy in the formation of this program we will pay a much dearer price later. We will pay a much dearer price a year from today or 2 years from today as a result of our hesitancy.

I am talking now to those of you who have seen fit to believe in the past that this program can make some contribution to the economic improvement of the United States. We talk about idle plant capacity. We talk about people who are unemployed. There would be no idle plant capacity, Mr. Chairman; there would be no unemployment in the United States if we in the United States were capable of consuming all that these plants could produce, and all these farms could produce, except for $20 billion. You know and I know that we cannot consume here the capacity for production of our farms and our plants. Where are we going to sell those excess amounts? Are we going to sell more by delaying a year and running the risk of our exports dropping to $15 billion or $13 billion, or lower, or are we going to accept the challenge before us and take advantage of the opportunity that is wrapped up in that challenge and say to the peoples of Western Europe, with whom we have military alliances, that we, too, are interested in the growth and expansion of world trade? We are talking to people, six countries altogether, that engage to the extent of $60 billion already in world trade compared to our $35 billion.

Does anyone doubt the capacity and ingenuity of this America of today to capitalize upon opportunities made for it, as it has capitalized in the last 28 years under trades that have been made for it under this program?

Mr. Chairman, in spite of the fact that this was a completely bipartisan measure, in spite of the fact that this is the bill of the Committee on Ways and Means, in spite of the fact that all of us must agree on balance, if we believe in this program, if we have supported this program in the past, that the good outweighs the bad, we have people talking nothing but about some little part of the bill.

What is the important part of this bill? The important part of this bill, Mr. Chairman, is the part of the bill that permits the President of the United States, through the special negotiator provided in the bill, to try to accomplish the elimination of duties and other impediments to the flow of our trade within the free world. That is the most important part of it.

The next most important part of it is the authority we give him to reduce duties on our part to carry out agreements reached in negotiations in these proceedings to meet concessions given to us by countries abroad. Those are the important parts of this bill. But, we all also attach significance to the other side of the coin.

What do you do if we make a mistake in the process of carrying out a paramount policy of government, namely, the enlargement of markets abroad for the products of the farm and the factory in this country, in return for which we give concessions in our own rates of duty?

Mr. Chairman, we have tried in this bill, we have tried as best we could through the process of legislation, to establish machinery to prevent to the maximum extent possible the making of mistakes. What do we do in this bill? I wish every Member, if he has not done so, would turn to the report on the bill beginning on page 14. Look through the procedures. Begin there. Read the preagreement safeguards. Read the general provisions relating to trade agreements. Read the postagreement safeguards. Read on through that—the Presidential action.

Read on through to the congressional action that will involve a committee amendment which is set forth in the committee report and in the reported

bill and which will be adopted at the proper time.

We, I think, and I agree with what my friend, the gentleman from Tennessee [Mr. BAKER] said yesterday, have developed more protection through these safeguards and the opportunity for hearings on the part of industry, agriculture, and labor than those three segments of our economy have had in the past. I believe my friend said that in any event, in my opinion this is true. Those safeguards are spelled out.

One of the weaknesses, some say about the bill, is that we have given the President more authority than he needs; we have given it to him for a longer period of time than he needs, they claim.

I say, Mr. Chairman, that if we want an agreement with the European Common Market, do we not want the negotiators to have enough authority to make a good agreement from our point of view? Do we not want them to have enough time, Mr. Chairman, so that they will not be rushed into the acceptance of some agreement at the last minute in order to accomplish an agreement that a little longer time might indicate could be improved?

Mr. Chairman, 5 years is not a new departure for this House to extend this authority. We have done it before. Mr. Chairman, the program encompassed in this bill is not an unusual grant of authority. It is limited in the same respect that other similar grants of authority have been limited in the past. There are more safeguards. Certainly, this cannot be considered a weakness in this bill. If you appoint me your agent to buy a $10,000 house, Mr. Chairman, do not give me $9,000 with which to buy that house for I may not succeed. Give me $10,000 and I will do the job you want me to do. If we sincerely desire, Mr. Chairman, that we preserve our access to these markets in the European world, if we sincerely desire that, let us at least provide the effective tools for the accomplishment of that desire.

Mr. Chairman, these safeguards I have talked about are in several parts. First of all, we have very elaborate machinery for people to be heard with respect to the prenegotiation phases of this program. There are full opportunities for hearings for all interested parties. There is every opportunity after the President makes a decision as to what he might include in the list for negotiation, for interested industries and others to appear before this group and explain why their industry should not be included. There are those who have said in letters to me that this particular industry or that particular industry has been selected for sacrifice. Mr. Chairman, there is nothing further from the truth than that. There is no industry—there is no individual's job that is being selected for sacrifice. Every individual concerned with this legislation will have an opportunity both at the Tariff Commission and before this Interagency Committee appointed by the President to tell why his particular commodity should not be included for a reduction in duty. And if it is as serious as they tell you and me, do you not realize what the Tariff Commission will say? They will describe to the President the economic consequences of any such action. That will have a great weight, of course. Certainly, it will have its weight with this Cabinet-level Interagency Committee, as well. There is no certainty, therefore, Mr. Chairman, that some of these industries that are complaining about their present situation would even be included in such negotiations. But there is, I hope, assurance within this program, Mr. Chairman, that progress can be made through the elimination of those restrictions and barriers to our own trade which even to this day exist throughout the free world to a degree far beyond that which any of us want.

Mr. Chairman, if the Members will read the description of these safeguards, if the members of this committee will bear in mind that any bill that comes before this committee may not and usually cannot fully represent the viewpoint of all the Members, it may not be satisfactory to all the Members, but if the members of this committee stop and think deeply upon this subject I have no doubt about the final decision that will be made here today. I know when it comes to matters of great national purport, as this does, that there is no center line that divides us, and there will not be a center line dividing us today.

I urge, Mr. Chairman, that the committee reject the motion to recommit which my good friend from Illinois has announced that he will offer, that the committee in a bipartisan manner pass the bill like it did in 1958 when, as I recall, there were fewer than 100 Members of this House who voted against the 5-year extension of this program.

Mr. Chairman, I promised to yield to the gentleman from Texas [Mr. ALGER].

Mr. ALGER. I thank the gentleman for recognizing me first; I certainly appreciate it.

Mr. Chairman, I call the gentleman's attention to page 11088 of yesterday's RECORD in order to remind the gentleman that despite what he has just said, that after 2 days of debate I still must ask our chairman when someone is going to tell this House what is in this bill and to describe the new power given to the President. This is the first time I have seen a bill presented in the House where the House has not been told what is in the bill.

Mr. MILLS. The gentleman from Texas, I think, on yesterday made a rather detailed and lengthy observation on the bill and the powers given to the President in this bill. I listened to him with care though I disagreed with his views, of course. From his point of view he states these powers were excessive and should not be granted.

My friend, the gentleman from Texas, has not taken that position just yesterday or in the last few days. I think the gentleman voted against the act in 1958. If I am wrong I would like to be corrected.

Mr. ALGER. May I put the question once again regardless of what the gentleman from Texas may have done on other occasions—I could be mistaken, I could be wrong—but will the gentleman tell the House what new powers are given the President and how extensive they are?

Mr. MILLS. I will try to if the gentleman will just let me proceed. He wants to know the authority?

Mr. ALGER. Yes, the authority and the new authority given the President.

Mr. MILLS. All right. In this bill we give the President basic authority to reduce duties by 50 percent of the July 1, 1962 rates. But the gentleman knows since he is a member of the committee that wrote the bill that by the same token we give the President authority to increase duties by 50 percent of the rates in force way back in 1934. This is not a one-way proposition. That is a 150-percent leeway on what even the Smoot-Hawley Act provided as to increases. That is in the power given to the President. I do not hear the gentleman complaining about that.

Mr. BOGGS. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield.

Mr. BOGGS. I am certain if the gentleman from Texas will refer to yesterday's RECORD he will see a detailed explanation of the bill filed by the distinguished chairman of our committee, and in addition to that, as the gentleman knows, the report on this bill was filed on June 12—over 2 weeks ago. It is a most comprehensive report containing both majority and minority views. The gentleman, of course, sat through the committee deliberations on the bill and he is thoroughly familiar with the bill's provisions. So a very complete explanation of the bill has been available and still is to everyone.

Mr. ALGER. Mr. Chairman, will the gentleman yield?

Mr. MILLS. Let me yield first to the gentleman from Georgia, Mr. FORRESTER.

Mr. ALGER. The gentleman mentioned my name.

Mr. MILLS. I will get back to the gentleman from Texas.

Mr. FORRESTER. Mr. Chairman, first I would like to say to the distinguished gentleman in the well of the House that I have been here 12 years, and I think the gentleman has given us one of the most logical explanations I have ever had the opportunity of listening to.

Mr. MILLS. I thank the gentleman from Georgia.

Mr. FORRESTER. The gentleman, I believe, knows that I have a lot of candy manufacturers in my district in the State of Georgia. They are disturbed about the bill. As a matter of fact I hold a telegram dealing with the subject of import duties on foreign candies. The telegram states, in effect, that the bill we are now considering—H.R. 11970—would eliminate the duty on candy with resulting adverse effects on the candy-manufacturing industry.

I cannot find any provision in the bill which reduces duties on candy or any other commodity, and I have studied the bill at length. Is there a provision in the bill which will reduce or eliminate the present 14-percent duty on candy?

Mr. MILLS. Permit me to respond this way to the gentleman from Georgia: This bill does not in and of itself reduce any duty. That should be made

very clear. This bill does give the President authority to reduce duties that he, upon advice of the Tariff Commission, feels can be reduced without causing serious economic consequences.

As I understand it, the candy manufacturers and confectioners are concerned because they may fall within the provision which permits the President—if the European Common Market and the United States export more than 80 percent of articles in a given category—to reduce duties by more than 50 percent.

Certainly if what the candy industry says to you and to others who have candy manufacturers within their district, that their situation is very serious, very grave at the moment, those facts would be considered before candy would be included on any list for negotiation, even if the 80-percent authority were not involved. If candy was included on a list, the candy manufacturers could appear before the Tariff Commission and the Interagency Committee appointed by the President and state their case that they cannot survive under any reduction in duty.

Mr. FORRESTER. Do I understand from what the gentleman is telling me that the candy manufacturers have no particular reason now to be apprehensive?

Mr. MILLS. There is nothing in the bill, I will say to the gentleman from Georgia, that reduces the duty as is alleged in the telegram the gentleman just read.

Mr. BOGGS. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Louisiana.

Mr. BOGGS. As an assurance to our good friend from Georgia, in 1961, the gentleman might be interested in knowing, we produced in this country $1,232 million worth of candy, which was an increase of 14 percent over 1958. We imported something in the area of $21 million worth of candy—$21 million as compared with $1,200 million. The existing duty is only 14 percent. And the increase in imports which has occurred has taken place without any duty change because the duty has been 14 percent since 1948.

Mr. MILLS. The gentleman could also point out that imports, as a percentage of U.S. production in 1961, amounted to 1.7 percent.

Mr. FORRESTER. Is the gentleman acquainted with the fact that the candy manufacturers generally, for some reason, are apprehensive? Can the gentleman give me any idea as to what is the cause of that?

Mr. MILLS. I do not know the reason for it. I do know that I have had a letter from those who work in a shoe plant in my own district telling me if I voted for this bill it would throw them out of employment. No one knows. I do not believe this will happen to my shoe people and I also do not believe it will happen to your candy people.

Let me elaborate on that. I understand there are others, as well as myself, who have received letters of this sort from constituents involving the effect of this bill upon shoes. Here again, there is nothing in the bill that would provide any reduction in duty on shoes. It is important to note that U.S. production of shoes, in dollar amounts, increased in 1961 over 1958 by 8.7 percent. By the same token, the imports of shoes increased by about 331 percent; but in 1961, as the result of the importation of those shoes, many of which are handmade, many of which are expensive shoes, the imports of shoes as a percentage of U.S. production were still only 2.6 percent.

I believe that most of the people are concerned about the future and are apprehensive. We should, and do, understand. However, I think we have provided in the bill safeguards which will assure that all the facts will be available when decisions have to be made and then we expect the decisions will be sound.

Now, there is no certainty that the President will reach a conclusion that the duties on shoes ought to be reduced, and that he will list them for reductions. The same thing is true with respect to other industries. Every industry which feels it should not have its protection reduced, should make its case as to why this is so.

And, certainly, this bill contemplates that consideration will be given to all representations. If this were not the case, we would not have gone to the trouble of establishing the elaborate procedures provided in H.R. 11970.

Mr. FORRESTER. Can the gentleman tell me or is he in a position to tell me how the exports rank with the imports of candy?

Mr. MILLS. Yes. We export candy. In 1961 we exported $4,643,000 worth. That was an increase in our exports of about 4.3 percent over 1958. Our principal export market is Canada. The principal country exporting candy to us is England.

England is not in the European Common Market at the moment. The candy manufacturers believe that if England becomes a member of the Common Market, then the Common Market and the United States will control over 80 percent of world exports of candy, and the President might negotiate an elimination in the candy duty with the EEC. There is no certainty that such will be the case or that there will be and reduction in the duty on candy. There will be every opportunity, if a reduction in the candy duty should be considered for the domestic candy industry to present its case and be heard.

Mr. BOGGS. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Louisiana.

Mr. BOGGS. I think the other significant part of the answer to the question of the gentleman from Georgia is: If this should come to pass, we would expect that the duty would also be removed on U.S. candy going into the Common Market.

Mr. MILLS. It would have to be.

Mr. BYRNES of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr MILLS. I yield to the gentleman from Wisconsin.

Mr. BYRNES of Wisconsin. There is nothing in this legislation that requires bargaining or negotiating with respect to like items. We could enter into negotiations to reduce the duty on candy or on any other item for reduction by the Common Market of their duties on some completely different article and both reductions could be completely different as to amount.

Mr. MILLS. Yes—now that I consider the matter further, the gentleman is correct.

Mr. BYRNES of Wisconsin. I think the gentleman remembers that an amendment was offered; in fact, I believe the gentleman from Wisconsin offered it, which said that that should be the rule, but it was turned down within the committee, and the argument was that they had to have flexibility.

Mr. MILLS. I recall that, but I still think, and I think the gentleman will agree with me, that anything of that sort would not be what we feel would be a trade in the best interests of the United States. This authority is being granted because we want fair trades to be accomplished. If our chief negotiator is going to perform his function in a way that we get the short end of the bargaining all the way through, he will still be accountable to us.

Mr. BYRNES of Wisconsin. I will state to the chairman that I certainly share that hope, but there is nothing to assure it.

Mr. MILLS. There is. There is always the power back here.

Mr. KEOGH. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from New York.

Mr. KEOGH. I think it might be pertinent at this point to say a word on behalf of those who have negotiated in behalf of our Government in previous agreements. Does not the chairman share my impatience with those who somewhat recklessly and unjustifiably contend that our negotiators have consistently been outtraded?

Mr. MILLS. Oh, well, now the gentleman knows my own feeling about that. Very frankly, I want my colleagues to know that I have had about as much concern about some of these matters in the past as any of them have had. I do not envision this program as being one in which we want to turn everything over to the Department of State. That is what we have prevented in this bill, I hope. We certainly tried to do it.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Mississippi.

Mr. ABERNETHY. I wish to thank the gentleman, and I appreciate the reference that the gentleman has made to the shoe industry in this country. It so happens that in my district I have several plants, five or six, which manufacture shoes, and they employ a considerable number of people. They are very much disturbed about this bill, and the effects thereof. They state in a publication, or an advertisement which was published in a newspaper in my district, that imports have increased 234 percent since 1957. I believe the gen-

tleman from Arkansas gave that figure also.

Mr. MILLS. Between 1958 and 1961, total shoe imports have increased 331.5 percent.

Mr. ABERNETHY. If the gentleman will yield further, they further state that 37 million pairs were brought in in 1961 alone.

Mr. MILLS. I will say to the gentleman that I do not have the figures here. I do have dollar amounts.

Mr. ABERNETHY. If the gentleman will yield further, they also state that this will reach 73 million pairs by 1965, even under the existing tariff.

I do not know from where those figures came. Could the gentleman advise me further with respect to this question?

Mr. MILLS. Let me tell the gentleman this: This bill is not here, with my name on it, to bring about the sacrifice of any of these industries about which we are talking. This bill has safeguards in it. If this injury occurs under the existing rates of duty, there is opportunity here to correct it. If an entire industry is injured, if the Tariff Commission finds that, and the Tariff Commission says that the rate of duty has to go up to the Smoot-Hawley tariff rate, or that a quota is necessary, or that a combination of an increased duty and a quota is necessary, and the President declines to do it, he is required to notify the Congress of his refusal to do it. Under the committee amendment that we adopted to this bill, sponsored by our good friend, the gentleman from Tennessee [Mr. BAKER] we retain the right to put into effect the Commission's recommendation, whatever it might be. We retain the right to require the President—let me put it that way—to require him to put it into effect by passing a concurrent resolution stating that the President is directed to put this rate of duty into effect. We have never had a provision similar to this in this program prior to 1958. The provision in this bill differs from the 1958 provision in that it is stronger—it requires only a majority vote to overcome Presidential refusal to take action.

Mr. ABERNETHY. May I ask the gentleman this question?

Mr. MILLS. We are not turning over this power that my friend talks about without doing it within limitations and providing safeguards and retaining here a degree of control over what is done in the case of injury.

Mr. ABERNETHY. Sometimes the verdict of the jury is not always in keeping with the facts.

Mr. MILLS. Well, it always is here.

Mr. ABERNETHY. Suppose the Tariff Commission finds that there was no injury; whereas, there might have been injury? Then what happens?

Mr. MILLS. Oh, well, what other agency are you going to use? My good friend realizes that we cannot increase duties unless the Tariff Commission reaches a conclusion of injury. That has been historical in all of our programs, and we have to rely on this procedure.

Mr. ABERNETHY. I do not want to take too much of the gentleman's time, but if the gentleman will yield further, I have one other question: There is concern in this House, and I am one of those who is concerned, about a provision which provides for the payment of compensation to those who may be ousted or knocked out of jobs. Suppose the negotiators of this country went to meet the people in Geneva and other places, and they did not have more or less authority to negotiate to the point of taking people out of jobs? Does not this give them the authority to go on and say "Well, we may knock some people out of a job, but we have a way to take care of it."

Does not that encourage our negotiators to go a little further than they ordinarily would go?

Mr. MILLS. The gentleman is entitled to his opinion about what they may do. This provision is not here for that purpose——

Mr. ABERNETHY. I realize it is not here for that purpose.

Mr. MILLS. Let me answer the gentleman. I do not intend, as far as I am concerned, that it be used for any such purpose; and I am sure the Committee, on both sides of the aisle, has no such thought. But let me talk to you about why it is here. Under the provision of existing law the Tariff Commission only finds serious injury and recommends to the President an upward adjustment in the duty when an industry is injured, not when a firm is injured.

There are a lot of these shoe plants in the gentleman's district and in mine; there are many of them scattered all over the United States—in Missouri and in every other State.

Mr. BATES. And in Massachusetts.

Mr. MILLS. Yes, in Massachusetts. It may be found, upon an investigation by the Tariff Commission, that a plant is injured in the gentleman's district or in my district because of some particular imports. But the industry as a whole is not injured. In these circumstances, the Tariff Commission would not recommend to the President an upward adjustment in duty. On the basis of existing law, those workers and that firm which were put in that position by the exercise of the sovereign power of the Government in knocking a prop out from under the firm and the jobs by the lowering of tariffs, have nothing they can do. We are trying to provide some way to help that firm to get some help. We are trying to provide some way to help those employees.

Oh, I know that these people who run these employment offices in some States have wired in here to a lot of people that they do not like it. I knew that. They talked earlier to the committee and raised the question about it. But we have this question before us. Remember that we are taking this action through the sovereign power of the Government, giving the President authority to do something that for all intents and purposes might knock the props from under a man's job by reducing a duty. Whether it is intended or not it can happen. Will we leave him to his own devices, or are we going to show some degree of interest in the plight of that fellow for a short period and try to get him adjusted to something else?

Let me tell all of you, we have done this before. This is not the first time we have done something of this sort. Look back into the pages of history during the time you and I have been here. You will find that we have provided for allowances of this sort for people for special reasons. We did not have any trouble explaining it or justifying it.

Mr. BOGGS. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman.

Mr. BOGGS. Just so the record is complete, I call this to the attention of the gentleman from Mississippi [Mr. ABERNETHY]. The total U.S. production of shoes in 1958 was $2,091 million. In 1961 the total production was $2,273 million, or an increase in production during the period of existing law of almost 9 percent. The total imports—and, of course, the impact may be felt differently in different places, it may be more severe in the gentleman's district than in somebody else's district—but the overall imports were less than $60 million—$59 million to be exact, in an industry which produces almost $2¼ billion in shoes. In addition to that, these imports came from Italy which, of course, buys a very large quantity of cotton, which product is produced in the gentleman's district.

Mr. ABERNETHY. My people are not complaining so much about what is being done now but what may happen in the future.

Mr. MILLS. My people are also concerned that we not run the risk of losing some markets we have today for some of our products.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. Additionally, I would like to compliment the distinguished gentleman from Arkansas, and the committee, on the very substantial improvements they have written into this program.

The gentleman well knows I have had a number of industries in my own area in Oklahoma which have been severely impacted by imports. I found it impossible to vote for the last extension of the Reciprocal Trade Agreements Act because of that situation. I am of the opinion that this bill, with its additional safeguards, including the amendment offered by the gentleman from Tennessee [Mr. BAKER], and included in H.R. 11970, is a bill which does represent and advance the best interests of the United States, a bill which should be supported by those of us who are genuinely concerned about the welftre of our own domestic industries as well as the future of our international trade.

To me, this is handing to the President a new and valuable and indispensable weapon to win the cold war. Those across the aisle who are genuinely appealing to us to win, to have a victory

policy in the cold war, will, in my opinion, do a great disservice to that cause if they refuse to support this measure which provides this powerful new weapon in the cold war.

Mr. MILLS. I thank the gentleman for his comment.

Mr. EDMONDSON. May I ask one question in regard to the Baker amendment. This amendment, if I understand it correctly, makes it possible for Members of the House and the Senate to initiate action by the House and by the Senate to implement the findings of the Tariff Commission where they find adjustments on duty or other import restrictions are necessary to protect domestic industry.

Mr. MILLS. The gentleman is correct.

Mr. EDMONDSON. This is a new device, a new shield, for American industry which has not been provided before. It certainly increases the desirability of this legislation and strengthens the hand of Congress in this vital area.

Mr. MILLS. It has not been provided before. There is now full power for a majority of the Congress to exercise its will and to bring about increased tariffs, or quotas or both, depending on the Commission's finding.

Mr. KEITH. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Massachusetts.

Mr. KEITH. The gentleman has stated that the economic consequences of this act on a particular industry will be explained to the President by the Tariff Commission and that, therefore, these industries have proper protection.

Mr. MILLS. I said that not only would they be explained to the President by the Tariff Commission after a hearing but there would be reported to the President other factors involved by an interagency committee appointed by the President. This committee would also hold hearings.

Mr. KEITH. It has been reported that in 62 instances the Tariff Commission has recommended with reference to the peril point provision that the President take action to protect a particular industry, and he has declined to go along.

Mr. MILLS. I believe that is the escape clause the gentleman is talking about. There have been a lot of cases heard by the Tariff Commission where the industry thought there was injury and the Tariff Commission said no. Some cases of injury have been found to exist, but the record of the President has been, in the past, of not agreeing to all of these findings.

Mr. BATES. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Massachusetts.

Mr. BATES. I know in the committee report and the bill there are certain items placed on the reserve list.

Mr. MILLS. Yes, that is true. The gentleman from Massachusetts called our attention one day, I think it was during the latter part of our consideration of this bill, to the situation wherein the Congress had acted on tariffs, and suggested that in those cases the items covered by such acts should also be reserved.

Mr. BATES. Like on fish sticks.

Mr. MILLS. We did not include a provision reserving such articles, including the duty on fish sticks. It was an oversight, I think, on the part of the committee. For very clearly, where Congress has taken that action it would be, I think, correct to say that the Congress would feel that the reservation for this same length of time of such particular duties, such as that on fish sticks, was just as important and just as fair for the industries concerned as the reservation where injury had been found by the Tariff Commission.

We did not include such a reservation, frankly, because we ran into considerable difficulty in the development of a provision that would accomplish this objective. But, certainly, I want my friend to know this is a matter which I think must be considered further, certainly, in the other body, for the purposes of putting these folks on the same basis, as a matter of equity.

Mr. BATES. As far as the gentleman is concerned, to all intents and purposes under this act, items that have been approved by the Congress will be on the reserve list?

Mr. MILLS. I certainly want them to be.

Mr. BATES. What is the intention of the gentleman's committee?

Mr. MILLS. The committee did not do it specifically because we did not have the time left to develop a way of doing it.

Mr. BATES. In other words, it was just a question of the language of such a provision?

Mr. MILLS. I have no objection to doing it, and if the other body includes it, I would have no objection to an amendment; does that satisfy the gentleman?

Mr. BATES. No, the gentleman would be more satisfied if it was clear that that was the intention of the committee. But, you really could not find the language to accomplish it, and I understand that that was the position.

Mr. MILLS. That is true.

Mr. BONNER. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman.

Mr. BONNER. I would like to ask the gentleman what effect this bill would have on the plywood industry?

Mr. MILLS. It has no effect on any industry until some action is suggested by the President.

Mr. BONNER. What has been the history of the plywood industry under the present Reciprocal Trade Agreements Act?

Mr. MILLS. I regret that I have taken entirely too much time, but I will try to answer the gentleman.

The plywood industry has had hearings before the Tariff Commission, as I recall. If any member of the committee wants to add to this colloquy, I wish they would. The plywood industry has complained in the past about imports coming in and injuring that industry. Hearings have been held before the Tariff Commission. There has not been, as I recall, any Commission finding of injury, and accordingly no upward adjustment of those duties. It is my recollection that there were two plywood escape clauses and a negative finding by the Commission in each. Is that a fact, may I ask the gentleman from Louisiana [Mr. BOGGS]?

Mr. BOGGS. You are correct, Mr. Chairman. The hardwood plywood industry has applied twice for escape clause relief, and in both instances relief has not been granted because there was no finding of injury.

Mr. MILLS. Then my memory was correct—the Tariff Commission made two negative findings.

Mr. BOGGS. Yes, twice. Did the gentleman from North Carolina ask about fish sticks?

Mr. BONNER. No, I just asked about the plywood industry. I have heard about shoes and I have heard about sugar and I wanted to hear a little something about what effect this bill might have to improve or injure further the plywood industry.

Mr. MILLS. Let me answer the gentleman this way. There is nothing in this bill directing anybody to reduce specifically any duty on plywood.

Mr. BONNER. I understand that.

Mr. MILLS. If the Tariff Commission finds that injury exists in this industry, they can recommend to the President the adjustment of duties up to as high as 50 percent higher than the duties under the Smoot-Hawley Tariff Act. In other words, to the extent of 150 percent of the Smoot-Hawley tariff schedule. Then the President could put any other import restriction into effect, such as a quota, for example.

Mr. BONNER. The only reason I ask this, Mr. Chairman, is that many plywood mills have gone completely out of business due to the importation of plywood from Japan.

Mr. MILLS. Yes, that has been brought to my attention.

Mr. BONNER. And they have appealed to the Tariff Commission for relief. Now I merely ask: Is there any opportunity under this bill for the plywood industry to be helped?

Mr. MILLS. Yes. They still have an opportunity to go to the Tariff Commission for the purpose of escape clause action. And here, I believe, is where they will be greatly assisted by this bill. If the Commission finds that the industry is injured—and this, of course, is basic—but if they do, then we here can, in the event the President does not take the action recommended by the Commission, adopt by a majority vote a resolution which would require upward adjustment in the import restrictions on plywood.

Mr. FISHER. Mr. Chairman, I desire to direct the gentleman's attention to section 212 on page 6 of the bill:

> In the case of any trade agreement with the European Economic Community, section 201(b)(1) shall not apply to any article referred to in Agricultural Handbook No. 143, United States Department of Agriculture, as issued in September 1959, if before entering into such agreement the President deter-

mines that such agreement will tend to assure the maintenance or expansion of United States exports of the like article.

Can the gentleman explain what that means?

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. MILLS. Mr. Chairman, I yield myself 3 additional minutes.

Section 201 of this bill, if the gentleman will read it, provides for a 50-percent reduction in rates of duty existing on July 1, 1962.

We say with respect to agricultural commodities that the President shall not be bound by that limitation. Agricultural commodities are those referred to in this handbook I have here. If before entering into such agreement the President determines that such agreement will tend to assure the maintenance or expansion of the U.S. exports of like articles then he can exceed the basic limitation in section 201. Let us say that in the case of apples, it is the determination of the President that if he enters into an agreement with the European Common Market to reduce duties here in return for their reducing duties there, our exports of like articles will tend to be maintained or expanded. He can then reduce or eliminate the duty on apples.

Mr. FISHER. Is it a correct statement interpreting this section to say if that under the treaty he found that an agreement would not tend to assure the maintenance of the U.S. exports of the like article, if he makes that finding he would have the power to place the duty on these agricultural products at a lower rate?

Mr. MILLS. He has to make a positive finding that the agreement in which such action reducing the duty to zero occurs, would tend to maintain or enlarge the exports of that article. That is what this provision means.

Mr. FISHER. As I read that section it does not say he has to make a positive finding.

Mr. MILLS. But he does have to make a positive finding.

Mr. FISHER. What does this language mean which reads, "tend to assure"?

Mr. MILLS. It is a question of judgment, of course; and it is going to be a judgment of the Department of Agriculture, frankly, that if this is done we will maintain or enlarge our exports of that article.

Mr. FISHER. Mr. Chairman, will the gentleman yield for a further question?

Mr. MILLS. I have only 3 minutes.

Mr. FISHER. This refers to articles contained in Agricultural Handbook No. 143 which may under certain findings be put on the free list.

Mr. MILLS. That is right.

Mr. FISHER. What are those articles?

Mr. MILLS. They are set forth in that handbook, which is a publication of the Department of Agriculture which lists all of the articles which the Department believes are in fact Agricultural Commodities. If we were to specifically set forth all of these articles in the bill, it would have added hundreds of pages.

The CHAIRMAN. The time of the gentleman from Arkansas has again expired. The gentleman from Arkansas has consumed 1 hour.

Mr. FISHER. It refers to agricultural products?

Mr. MILLS. The handbook refers to agricultural products. They are set forth and described in that book and the book was prepared by the Department of Agriculture.

Mr. Chairman, I have never done this before, but in view of the great importance of this bill I ask unanimous consent to proceed for an additional 5 minutes.

Mr. HARRIS. Mr. Chairman, reserving the right to object, I would like to suggest to my colleague, who has done such a magnificent job here this morning and who has I think given the membership much enlightenment—I know that he perhaps is tired, nevertheless he has been working on this for a long time; there are a lot of Members who would like to ask him questions, who would like to get some enlightenment.

I would like to suggest to my colleague from my home State that he not hesitate to take such additional time as will be necessary in order to clear up some of the serious questions that are in the minds of Members. I would like to urge him under the circumstances to not hesitate to do so.

Mr. Chairman, I ask unanimous consent that the gentleman may proceed for 10 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas [Mr. HARRIS]?

Mr. GROSS. Mr. Chairman, reserving the right to object, and I shall not object, if the time will be spent in not gilding this lily that if it is so good does not need gilding, and if it will clear up some of the questions the Members want to ask, it will be time well spent.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas [Mr. HARRIS]?

There was no objection.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Massachusetts.

Mr. CONTE. At the outset I want to compliment the chairman of the Committee on Ways and Means for the outstanding job he has done here today.

In regard to section 211, which was discussed here with reference to the candy business and some 80 other commodities in the United States, if the Common Market and the United States produce 80 percent of that commodity in the world market, then the President has the authority to reduce that tariff to zero; is that right?

Mr. MILLS. That is true.

Mr. CONTE. Would it not have been much sounder if we had had an amendment stating that the United States should produce at least 25 percent of the 80 percent of that commodity, then that commodity would be in a competitive position? Under this bill the Common Market could produce 78 percent.

Mr. MILLS. Yes.

Mr. CONTE. And the United States only 2 percent, which could wipe out a lot of small businesses.

Mr. MILLS. I do not know that any information was submitted along the lines of the example that the gentleman stated—I do know that the record shows that of the categories of articles presently involved, the United States predominates as an exporter in the greater number of such categories. This matter was discussed in the committee—that we provide some such limitation. The committee decided against it.

This matter, I may say to the gentleman, will be studied by the other body. If there is a problem in this area which we did not foresee, I am sure that it will come to light in deliberation on this bill which will follow our consideration here.

Mr. CONTE. The gentleman says it does have merit, then?

Mr. MILLS. There are some who could make an argument for it, of course, it would depend on what the facts showed.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Florida.

Mr. CRAMER. I have listened to the gentleman's discussion concerning this bill for about an hour. Of course, under the parliamentary rocedure, no amendments may be offered except by the committee.

I would like to ask the gentleman if he would please advise the House as to what, if any, amendments the gentleman, as chairman of the Committee on Ways and Means, intends to offer?

Mr. MILLS. An amendment that we agreed to, changing the method whereby the Congress can require the President to proclaim a higher rate of duty under escape-clause action, is incorporated in the reported bill and will be acted upon by the Committee of the Whole House.

Mr. CRAMER. What is the nature of the amendment?

Mr. MILLS. An amendment that the committee developed at the request and suggestion of our friend from Tennessee [Mr. BAKER].

Mr. CRAMER. That will provide the House can overrule or examine a decision by the Tariff Commission and the President on a majority vote?

Mr. MILLS. The amendment would provide that a decision of the Tariff Commission can be put into effect, when the President on his own will not do so, by a majority vote of the Congress.

Mr. CRAMER. May I refer to the wording of this bill, on page 27.

Mr. MILLS. The Tariff Commission could find that quotas—duties, quotas, or any combination thereof, are necessary. That should be part of my answer to the other question, and I want to add it so my answer is complete.

Mr. CRAMER. Under title II, the AA provision, page 27, it provides for AA assistance—and I read:

The Tariff Commission shall promptly make an investigation to determine whether, as a result of concessions granted under trade agreements, an article is being imported into the United States in such increased quantities as to cause, or threaten to cause, serious

injury to the domestic industry producing an article which is like or directly competitive with the imported article.

Mr. MILLS. That is the type of situation we have always described under the escape clause, where injury has occurred.

Mr. CRAMER. On page 63, referring to the Secretary of Labor's decision as to whether unemployment compensation shall be made available to individuals:

This decision by the Secretary, contrary to the decisions otherwise provided in the bill, shall "be final and conclusive" for all purposes but not subject to review by any court and so forth.

Mr. MILLS. This provision parallels other provisions that Congress has enacted with respect to this kind of program. We do not want the individual going into court to be heard on certain aspects of this.

And, I would like to correct the gentleman's impression: This is not unemployment compensation in this bill. It is not by any stretch of the imagination, unemployment compensation, and it is not to be considered a precedent for any federalization of any unemployment system.

Mr. CRAMER. On that point, pursuant to the ruling of the attorney general of the State of Florida, it was determined that it was unemployment compensation and opposes the bill because this was an effort to inject Federal unemployment compensation.

Mr. MILLS. The man you have talked about I have great respect for. I know him personally. But, he has no right to determine what this is. We are determining that here in the Congress, and I am telling you it is not unemployment compensation. It is an adjustment allowance. In connection with this matter I wish to state that I have received a wire from the chairman of your Florida Industrial Commission, which states that upon the advice of the attorney general of Florida, the answer to the question about its ability to participate is in the affirmative—Florida can participate in this program.

Mr. CRAMER. Well the attorney general and the development commission oppose the bill.

Mr. MILLS. This is a message from the chairman of the Florida Industrial Commission with respect to what the attorney general told him about Florida participating in it.

Mr. CRAMER. Then, they changed their minds in the last 24 hours.

Mr. MILLS. That is all right. Sometimes I do that, particularly when I find, on reflection, that I was wrong initially.

Mr. BURKE of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Massachusetts.

Mr. BURKE of Massachusetts. First, is it not true, as the result of the concern, the grave concern, expressed by those in the shoe industry, workers and management, and also those in the candy industry, rubber industry and the jewelry industry, that our committee adopted several amendments which will give these industries the protection that they need under this new bill?

Mr. MILLS. They will have every opportunity to be heard—to protect and to safeguard their interests. This is being given them under this bill.

Mr. LATTA. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Ohio.

Mr. LATTA. As you know, I am a member of the Committee on Agriculture, and I am particularly interested in agriculture as far as this bill might affect them. Now, we have heard a lot about agriculture, and I am also concerned what it might do to agricultural products, especially those produced in my district in Ohio. On page 10 of your report, next to the last paragraph, I would like to call your attention to that and ask you a question with reference to it. It says:

In future trading with the EEC, there are opportunities and problems. The potential for doing business is increasing markedly for an important number of our farm products. For others, however, the future is open to question because of the nature of the EEC common agricultural policy. On some farm commodities this policy strongly favors internal suppliers over outside suppliers.

Mr. MILLS. What we are concerned about with respect to the European Common Market on agriculture is the development of what we call variable fees that might be materially higher, than some of the duties heretofore imposed and would seriously affect the exportation of American products into those countries. We are on the alert about that. Conferences have already been held. We provide in this bill that this authority is not to be used to bargain down some of these discriminatory restrictions that are placed by these countries if the restrictions are contrary to trade agreement commitments.

Mr. LATTA. I notice in this report, Mr. Chairman, that you mention rice, you mention fruits and vegetables, but you do not mention the effect on wheat and feed grains.

Mr. MILLS. Well, I took special pains to mention wheat and others in this long statement that I put in the RECORD on yesterday, if you will look into that.

Mr. LATTA. If the gentleman will yield further, my question now is this: Will wheat and feed grains and other commodities about which we have some question be affected under this bill?

Mr. MILLS. No; actually, at least, not adversely. We are trying to get their duty on tobacco adjusted at the moment, the duty on poultry, and a few things like that. In the case of poultry they did try to put up a duty that would make poultry less competitive with red meats.

Mr. KYL. Mr. Chairman, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Iowa.

Mr. KYL. The gentleman just mentioned the fact that under the Common Market these countries do have a common agricultural policy and it is their purpose through compensatory payments to try to make themselves more self-sufficient.

The question which I have often asked, and so far I have not been able to get an answer from the people downtown who are supporting this bill, is this: If agriculture is indeed injured by imports, how will this adjustment assistance be rendered to the segments of agriculture which are injured?

Mr. MILLS. Individual farmers, of course, qualify as a firm under the bill and as such they would be eligible for adjustment assistance provided for firms adversely affected by imports.

The bill recognizes that a farm proprietor, for example, can be a firm, and farm employees could, in certain circumstances, be eligible for workers assistance.

Mr. Chairman, I yield 5 minutes to the gentleman from Louisiana [Mr. BOGGS] and anyone desiring to ask questions may direct such questions to either the gentleman from Louisiana, or to me.

Mr. MEADER. Mr. Chairman, will the gentleman yield?

Mr. BOGGS. I yield to the gentleman from Michigan.

Mr. MEADER. Mr. Chairman, I should like to ask the gentleman from Arkansas if he can point out anywhere in the report or in the hearings where an estimate is made of the probable cost of the adjustment assistance program?

Mr. BOGGS. I will say to the gentleman from Michigan that we have an estimate that over a period of 5 years the amount would be $185 million, I believe.

Mr. MILLS. If the gentleman will yield——

Mr. BOGGS. I yield to the gentleman from Arkansas.

Mr. MILLS. I think it was estimated that the total might approximate $190 million, the total for the whole 5 years.

Mr. BOGGS. In other words, that would be the total for the entire period.

Mr. MEADER. Mr. Chairman, will the gentleman yield?

Mr. BOGGS. I yield to the gentleman from Michigan.

Mr. MEADER. Has anyone made an estimate of the increase in personnel that will be required in the Tariff Commission to process these petitions within 60 to 120 days, the increase in personnel in the Department of Commerce for processing petitions, and the increase in personnel in the Office of the President for performing these functions?

Mr. MILLS. Mr. Chairman, will the gentleman from Louisiana yield to me at this point to respond to the question of the gentleman from Michigan?

Mr. BOGGS. I yield to the gentleman from Arkansas.

Mr. MILLS. Yes.

Mr. MEADER. Where can I find such information?

Mr. MILLS. That is not included in the hearings, because we did not have the Tariff Commission before us. They called our attention to the fact several times in executive session that we were imposing upon the Tariff Commission greater duties and responsibilities. Because of this, they might come to us asking for some additional personnel. But if additional personnel are re-

quested, they would be used to assist the Commission to pass on the question of whether or not individuals and industries and firms might be, or are being, injured. Of course, we all want them to do that job promptly.

Mr. MEADER. Has anyone made an estimate of the loss of revenue from customs duties?

Mr. MILLS. If the gentleman from Louisiana will yield further. Yes; there will be that effect. Customs duties were long ago levied primarily for revenue as well as for protection. Any time we reduce duty levels we probably will reduce revenue. But there is no way to estimate under this bill what the reduction in revenue would be, because we do not know what the rate changes will be.

Mr. BOGGS. It is my understanding that the total revenue derived from all duties is less than $1 billion a year at present. Now, even if we eliminated all duties across the board, we would lose less than $1 billion in gross revenues per year.

Mr. BENNETT of Michigan. Mr. Chairman, will the gentleman yield?

Mr. BOGGS. I am glad to yield to the gentleman from Michigan.

Mr. BENNETT of Michigan. I would like to ask the gentleman from Arkansas [Mr. MILLS] a question, and then make a statement.

I would like to compliment the gentleman from Arkansas, the chairman of the Committee on Ways and Means, for his honesty and his sincerity in putting a provision in this bill to take care of people who are going to be hurt; to put industry on welfare and to put employees on welfare, industry that is going to be put out of business and people who are going to lose their jobs. That is all very fine and, as I say, I appreciate the gentleman's position on that. But I ask the gentleman—and I have asked this question of three or four other members of the gentleman's committee—who is going to be helped by this bill? What industries and how many people are going to be helped, are going to get jobs? We know that there are going to be a lot of people hurt.

Mr. MILLS. Oh, no. There are not a lot of people who will be hurt.

Mr. BENNETT of Michigan. We know that a great many industries are going to be hurt. Now, how many industries are going to be helped; which are they? And how many employees are going to get jobs?

Mr. MILLS. There is no way to answer the gentleman's question, and that is the reason he has not found the answer from anybody up to now.

Mr. BENNETT of Michigan. I did not think so.

Mr. MILLS. There is no way of telling whether anybody is going to be hurt as a result of the enactment of this bill or some will be hurt, who they will be. There is no way of telling whether or not we are going to be successful in these negotiations so that we can enlarge our exports. We are doing this because we think we need to take the opportunity to try and certainly we hope we will succeed in doing so; that is, that we will enlarge our exports and that we can do so without causing serious injury. I might add that seldom does the Congress know with certainty the consequences of each and every act it passes. We always enact for the future, in the main, and nothing as so certain as tomorrow. We make the best judgment we can with the knowledge we have.

Mr. BOGGS. A further answer to the gentleman, Mr. Chairman, is that without authority to negotiate, if we lost the markets we now enjoy, the loss of employment can run into many millions; and the gentleman well knows that.

Mr. BENNETT of Michigan. I know this, that there are many industries today, some of them in my district, many of them in a hundred other districts in the United States, that are presently being hurt. They certainly are not going to be helped by further reductions of the tariff for which this bill provides.

Mr. MOORE. Mr. Chairman, will the gentleman yield?

Mr. BOGGS. I yield to the gentleman from West Virginia.

Mr. MOORE. Mr. Chairman, I compliment the gentleman and his committee for presenting what he says is his attitude on this bill. But I should like to ask the gentleman from Arkansas [Mr. MILLS] this question. A number of the questions that have been posed him have been from individuals who have industries in their districts which for one reason or another are concerned over the effects of this bill. His answer has been to each one of those that there is a mechanism in this bill that provides a measure of protection before the Tariff Commission under the escape clause.

I think, and does not the gentleman also think, that you have got to see the attitude or to determine the attitude of the people who are going to administer this bill, as to just how they are going to handle these questions?

Mr. MILLS. Absolutely. It is important who is going to administer the bill and work this out. It is for that reason—and I think my friend from Missouri [Mr. CURTIS], will support me in this—that we took so much time to try to work out in such an elaborate and detailed way the machinery that we have here to try to get it down on a base on which it can be properly administered.

Mr. MOORE. What bothers me is the observation by George Ball, Under Secretary of State, speaking in Europe very recently, who said:

> Industries finding diffculties in adjusting to lower tariffs will be given various types of financial and tax aid to enable them to shift to new lines of production; workers will be helped through retraining and by other means. Import restrictions may be resorted to only as an exceptional procedure and then only for a limited period.

Mr. MILLS. The Under Secretary of State was called upon to make a speech and he had to talk about something and he chose this subject. Let us also remember that Mr. Ball, in the April speech he delivered in Bonn, was speaking of H.R. 9900. You have before you H.R. 11970, the bill of the Committee on Ways and Means which, I assure you is a different bill from H.R. 9900, particularly in respect to the provisions which Mr. Ball may have had in mind.

I will tell you this: It is not the intention of your committee, as H.R. 11970 shows, that the State Department run this show. Bear that in mind.

Mr. MOORE. He did not help your bill.

Mr. CURTIS of Missouri. Mr. Chairman, I yield myself 20 minutes.

Mr. Chairman, I rise in support of this bill, and also to give the reasons why I believe it would be inadvisable to recommit the bill with the amendment the gentleman from Illinois [Mr. MASON] has stated he would propose.

I want to compliment the chairman of our committee for having done an excellent job in our public hearings on this bill and in executive session. Let me reiterate what he has said. This is not H.R. 9900, this is not the bill that the administration recommended. It contains certain of the essential features of that bill, which I will try to point out, but certainly the bill that is before the House is the result of Ways and Means Committee action on a bipartisan basis.

Many of the provisions that I have been seeking to get into this law for years are contained in this bill and, in my judgment, strengthen it greatly. Many of the provisions of others on my side of the aisle are in this bill. Indeed, I think those who oppose the bill, some five on our side, were influential in their reasoning and in the study they conducted on this measure in getting across some of these viewpoints.

There is a lot in this bill that in my judgment is not good, but there is no question in my mind about the overriding importance of the bill and the overriding good parts of it exceeding the bad features.

In the process of legislation I had hoped that this would be on the floor under a semiclosed rule, so we could have improved the bill, as I see improvements. I do know this bill has a long way to go. I am very hopeful that some of the bad features that are still in this bill, as I see it, will be eliminated either in the Senate or possibly in conference.

So let me discuss the bill as I see it. I think it must be done in respect to our history, because this is, as the President has said, in my judgment perhaps the most important bill that has come before the Congress in the past 10 or 12 years, possibly since post-World War II, because we are now at a crossroads in our international economics, in our trade dealing. We, indeed, are at the last stage of carrying out the Smoot-Hawley Tariff Act with the reciprocal trade formula superimposed upon it.

This is not a bold new frontier that we are talking about here in this trade bill. We are talking about carrying out the final, last flickers, if you please, of a policy that has been in effect since 1934. We are just about out of trading material, as a matter of fact.

The reason the Reciprocal Trade Act has operated since 1934 is that it was an amendment of the Smoot-Hawley Tariff Act, which imposed tariff rates so high

that there was something to come down from; but underlying the Reciprocal Trade Act was the impact of these high rates that still remain on our books as permanent law. We are now at the point, as I say, of running out of trading material.

The point is that the world has now changed to the extent that we have the European Common Market coming into being. We have nations throughout the world we call underdeveloped, but that are seeking to become developed. Indeed, the entire world is now participating in international trade. We have, in my judgment, to be a leader, not just one who sits on the sidelines and waits to see what the nations in the European Common Market do, and not wait to see just what Great Britain does.

We have to be in this position, as I see it, of leading, and we must lead from strength. How can we handle trade matters? Here is where we get into history. Can the Congress actually be the executive branch of government which enters into trade treaties with nations abroad and does the negotiating with these various give-and-take propositions, on the assumption that there is real reciprocity? I think it is very obvious we cannot. That is why President McKinley as was aptly quoted yesterday was one of the first advocates of the reciprocal trade formula. The theory of reciprocal trade has very little to do with whether you are a free trader of a protectionist. It has to do with the fact that we are going to engage in international trade. Now I want to say this to some of my friends who have delved into some aspects of constitutional law—and I want to suggest not deeply enough—who talk about Congress having the basic power over international trade or over foreign trade. Let me say that the Congress does have some very basic powers in this area and I am very jealous of those powers. But so does the executive branch of Government have basic powers in this area. Indeed, the powers of the executive branch under the Constitution actually are somewhat superior to the powers that we, in the House of Representatives, at any rate, possess; however the Senate, with the right to confirm treaties by a two-thirds vote, does have power.

Essentially, our trade agreements have been by treaty in our history. Then we moved from the treaty formula to the agreement basis. Let me say this. Treaties supersede the laws. We can set our tariff schedules, as we have throughout our history, for revenue purposes, and then our executive enter into a trade treaty with another nation and that supersedes some of those tariff provisions, and if the Senate by a two-thirds vote had voted for it, then that trade treaty comes into existence and so does a trade agreement which is entered into and which requires the majority approval of both Houses as opposed to the two-thirds vote of just the one body.

So throughout our history by the very nature of the two branches of the Government, the executive department has had to have authority to move forward in entering into meaningful reciprocity trade agreements or treaties. That in essence is what we are discussing here in this bill. It is not one that sets tariff rates. It is not one that sets quotas or licenses. It is one that delegates certain authorities to the President to enter into treaties and agreements which we hope are reciprocal and where we would get our quid pro quo. I have been devoting my efforts over the period of years on the Ways and Means Committee to try to get the procedure straightened out so that we, the Congress, do the job that we are supposed to do which is to see that our industry and our labor and our agriculture are not counted out when the executive exercises its powers in the making of trade agreements and trade treaties and that there are procedures whereby their interests are evaluated. I think what is in this bill, inadequate as it is in other ways, is so far superior to what we have had in the past. All I can say is that this can be a great move forward. This can be the beginning of some really new trade policy depending upon how the Executive carries out the powers that have been granted to him and how he regards the procedures that we have set forth in this bill. For the first time, we require the chief negotiator be a person with a face. This person requires Senate confirmation of his appointment.

It requires that this person, if you please, have the authority of an Ambassador Plenipotentiary. Do you realize that our trade negotiations up until now have been conducted by top civil service people? Fine people, but not one who has authority to answer back to the State Department or anybody else. He had no status; and, indeed, that was one reason, I think, we have been sold down the river on many occasions in trade negotiations, because European countries and other countries would send to Geneva their trade teams headed by one of their Cabinet officers, one of the top men in their government. We on the other hand would have very fine men, but Civil Service employees who find it necessary before they can answer to get on the telephone with Washington to find out what the State Department wants, a man having no status of his own to answer back. It is most important that this trade negotiator be a person of ambassadorial rank requiring Senate confirmation.

It would spell a tremendous change in our trade policy. So in providing for the establishment of a commission or committee for the first time where our people, not as a matter of privilege but as a matter of right, can present their allegation of unfair trade practices by people abroad where we have given concessions but have gotten nothing in return. If the President of the United States will employ these things we can have a bold new trade policy for our country.

But the issue—I again come back to it—as we face this world of evolving countries, the European Common Market where we have run out of trading material, if the United States is to be a leader we must give to the Executive enough authority, flexible authority. He does not have to use it—certainly we do not want him to tip his hand—we are Yankee traders still, I hope, where we are going to try to get the best we can.

We do have to give the President flexible authority in this area under these guide lines in order to make the best trade treaty and trade deals it is possible to make.

If I wanted to make a speech against the extension of the authority I could point to the record since World War II where in effect there has been little reciprocity as near as I can see in what the nations abroad have given to the United States. The plea of these foreign nations has always been that they have an imbalance in their own payments, and many a trade treaty, agremeent, and concession they should have given to us was withheld on the ground that there was a balance of payments problem with that nation.

Actually, as I have pointed out to those who are against this bill, one of their great arguments, that there is trading material available in the hands of our Executive, is the fact that he should be able to pick up right now some of these concessions that have been withheld because of the argument of balance of payments which has now shifted the other way.

I still feel that if we are going to do the job this country must do in this area of trading, he has trading material that he could pick up; and so we come to a basic point, are we going to trust the Executive or are we not? I grant that that lies at the base of a great deal of the problems that face all of us today. I myself say that we must look at the Executive not from the standpoint of the individual or his political party but we must look at it from the standpoint of government by law, if you please: What are the correct procedures, the functions of this grant of executive authority? Where does the Congress fit in? In my judgment there is no question but what we in the Congress must delegate authority to the Executive, and what we should be paying attention to, as I think this committee has done, is the guide lines that we have put in to restrict or confine the Executive in the exercise of the authority.

I now yield to the gentleman from Pennsylvania.

Mr. DENT. The gentleman gave trade balances as the criterion as to whether or not this Nation had received certain concessions in payment for concessions given. Do you think that any nation in any future agreement with us will not consider the trade balance of its own particular economy before it makes a concession?

Mr. CURTIS of Missouri. I want to say to the gentleman that I said "balance of payments."

Mr. DENT. That is just another name for "trade balance" as we are now arguing it in this particular area.

Mr. CURTIS of Missouri. No. Trade is one element, and probably the most important element, in the balance of

payments, but there are other factors that go into that.

Mr. DENT. I understand that. Does the gentleman think they will in any way disregard their balance of payments situation when making concessions?

Mr. CURTIS of Missouri. No, not any more than can we. We are up against the hard realities where balance of payments requires us to do some hard trading, which we have not been doing.

Mr. DENT. The second part of the question is this: If they take into consideration their balance of payments, how can they allow us to sell them more than we buy from them?

Mr. CURTIS of Missouri. Will the gentleman repeat that?

Mr. DENT. If they take into consideration their balance of payments, how can they allow us to sell them more than they sell us?

Mr. CURTIS of Missouri. Balance of payments has benefited. Western Europe is going very well in balance of payments. Therefore, that is an affirmative argument our negotiators should be using to get concessions for our people even if we do not give the Executive any more authority.

Mr. DENT. This is a trade bill, primarily?

Mr. CURTIS of Missouri. Correct.

Mr. DENT. When you deduct from the export business of this Nation and its import business with the Common Market, deduct from that sum the total amount that has gone out or traded under Public Law 480, under the foreign aid commitments, is it not true they are still out of balance, on their final balance at the end of the trade year?

Mr. CURTIS of Missouri. Does the gentleman mean the European countries? That helps their balance?

Mr. DENT. I mean the European countries today, if we were to stop tomorrow the so-called payments under these aid bills and other forms of loans.

Mr. CURTIS of Missouri. The balance would shift.

Mr. DENT. The balance would shift?

Mr. CURTIS of Missouri. The gentleman is correct.

Mr. DENT. If that is the case, how can anyone honestly say this bill will increase exports?

Mr. CURTIS of Missouri. Because it does relate to trade. The only reason we have been able to get by with Public Law 480 and the foreign aid bills is because of the one strength we have, which has been our trade. That is the only strength. The argument can be made—and I am presenting a thesis—we can strengthen our trade all right, but there is no question what we are doing. We strengthen our trade, then we give away, if you please, through the political sector—Public Law 480—that which we have gained from our private sector in trade; and I might say here in the other healthy area, foreign investments.

Mr. DENT. I want to ask one further question.

Can the gentleman tell this House at the present time which year or which series of years or which combination of years there has been a balance of payments in favor of the United States or in favor of the foreign countries, deducting the aid we have given them?

Mr. CURTIS of Missouri. I think the figures are available. We have not had many years with a favorable balance of payments.

Mr. DENT. I would like one.

Mr. CURTIS of Missouri. Maybe there are none.

Mr. DENT. In fairness, I must give one. It was the year 1957, when the Suez Canal was shut down.

Mr. CURTIS of Missouri. The point the gentleman is directing his attention to is not against the healthy sector, the healthy area of our balance-of-payments situation. Our trade is good, our exports have exceeded our imports. That is the thing that has given us this base upon which we have been able to do some of these things.

Mr. ICHORD of Missouri. Mr. Chairman, will the gentleman yield?

Mr. CURTIS of Missouri. I yield to the gentleman from Missouri.

Mr. ICHORD of Missouri. I appreciate the statement of the gentleman as to the constitutional aspects of the problem at hand. Did I understand the gentleman to give his opinion as an attorney that if this Congress were to pass a law levying a certain duty on a certain article and that if the President of the United States entered into a trade agreement by treaty with another nation eliminating that duty, that the treaty provision would prevail over the right of the Congress to regulate foreign commerce?

Mr. CURTIS of Missouri. Yes.

Mr. ICHORD of Missouri. I have one more question concerning section 251, the most-favored-nation principle, which I am deeply concerned about. As I understand, a most favored nation is any nation other than one that is a Communist nation or Communist dominated.

Mr. CURTIS of Missouri. That is correct.

Mr. ICHORD of Missouri. Is it not true that under this bill, if we enter into an agreement with EEC to reduce the tariff or eliminate the tariff on an 80-percent article, for example, completely eliminating the tariff on article A, that the United States also has to eliminate the tariff on that article with all other countries that are not Communist or Communist dominated?

Mr. CURTIS of Missouri. The gentleman is correct.

Mr. LAIRD. Mr. Chairman, will the gentleman yield?

Mr. CURTIS of Missouri. I yield to the gentleman from Wisconsin.

Mr. LAIRD. Is it not true that under the provisions of this bill the urgency is not as great as the gentleman seems to make it because of the staging amendments in this bill?

Mr. CURTIS of Missouri. The urgency of this is not as extreme as some people make it. Let me further answer that.

Mr. LAIRD. The gentleman issued a report back a few months ago, along with the Senator from Connecticut, urging that we take it slow and extend the Reciprocal Trade Act for 1 more year.

Mr. CURTIS of Missouri. That is correct. Well, you are taking one aspect out of that report. Certainly that was discussed in that report of Senator BUSH and myself.

Mr. LAIRD. That was your recommendation at that time.

Mr. CURTIS of Missouri. This was back in December, yes.

Mr. LAIRD. With the staging amendments in the bill, what is the urgency? I would like to have the gentleman explain that.

Mr. CURTIS of Missouri. I do not like the word "urgency," because it is not of that nature.

Let me read what Governor Landon said. He sent this message:

> A vote for the Mason resolution is a vote to kill the working partnership with the European Common Market. This is not a party question; it is an issue involving the economic and business well-being of America. To defer the decision on the trade program for a year puts American trade in vulnerable position.

Now, I read that simply because I think essentially I agree with Governor Landon. But, I do not think it is as dangerous as he puts it, "in a vulnerable position."

Let me point this out, because it bears directly on the point. It is a matter of degree. I think if America is to exercise leadership, we must have this authority in our Executive. Now, we can let the European Common Market and Britain do what they want, but if we do that, we are not exercising leadership that I think we must exercise. So, that is the context and the basis on which I firmly am urging that the Congress approve this request for authority.

Mr. LAIRD. Even with the motion to recommit, the bill goes to the Senate, and many of the amendments added to this bill that some of us object to could be worked out.

Mr. CURTIS of Missouri. That is very true. That is a course of action that could be taken. I know many very sincere people who are for expanded trade take that point of view, and I respect them for it.

Mr. LAIRD. I could get along with a 3-year extension——

Mr. CURTIS of Missouri. I happen to take the other firmer point, that I think this is very important and so crucial today that we certainly should give our Executive the flexible power that will help him exercise the leadership that I hope he will.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. CURTIS of Missouri. I yield to the gentleman from Illinois.

Mr. FINDLEY. Earlier this year this body passed, at the administration's urging, an amendment to section 204 of the Agriculture Act which permitted, ex post facto, the cotton textile agreements to be entered into in January in Geneva.

Mr. CURTIS of Missouri. The gentleman from Illinois is touching upon a very basic point and one to which I direct attention in my supplemental views on this bill. Section 204 of the

Agricultural Act in many respects negates all that we are doing in this bill to establish correct procedures so we have government by law and not government by men in our trade agreements. It permits the entering into of international cartel agreements, based upon governmental subsidies, quotas, licenses, embargoes, and all the other regressive trade regulators.

I want to commend the gentleman from Illinois [Mr. FINDLEY] for his deep understanding of the essence of the private enterprise system—that it is dependent upon free markets, domestic and international. He fought valiantly to call attention to the danger of section 204 during debate on the floor and the similar danger inherent—the Sugar Act passed just a few days ago. It is my good fortune to have such an able ally in the fight to preserve the private enterprise system.

The CHAIRMAN. The time of the gentleman from Missouri has again expired.

(Mr. CURTIS of Missouri asked and was given permission to revise and extend his remarks.)

Mr. KNOX. Mr. Chairman, I yield myself 15 minutes.

(Mr. KNOX asked and was given permission to revise and extend his remarks.)

Mr. KNOX. Mr. Chairman, H.R. 11970 would have the effect of removing congressional control and review over our Nation's foreign economic policy for a period of 5 years; it would give the Executive unprecedented authority to slash tariffs while establishing a dole program for our workers whose jobs are destroyed by imports by putting those workers on Government relief; it would provide authority for the Executive to give away the domestic markets for U.S. produced goods and justify such action by a program of adjustment assistance to the injured business while that business desperately casts about for a means of economic survival.

For these and other reasons which I will discuss in the course of these remarks, I am opposed to the enactment of H.R. 11970 as reported to the House by a majority of my colleagues on the Committee on Ways and Means.

Mr. Chairman, at the outset of my remarks I would observe that my opposition to this legislation in no way stems from any unawareness on my part of the need for maximum U.S. participation in world trade. Indeed, I am motivated to oppose the bill now before us because of my conviction that such world trade can be profitably engaged in by our Nation on an enduring and flourishing basis only if the Congress establishes ground rules for such trade that assure fairness and reciprocity as elements in that trade program. The elements of competitive fairness and trade reciprocity would not be encouraged by this bill.

By the enactment of this bill the executive agencies would be encouraged to make their present unsatisfactory activities in regard to trade administration even more irresponsible and intolerable. Under the bill our domestic markets would be exposed to a rising tide of imports without sufficient safeguards against injury to domestic producers and without sufficient assurance of expanding oversea markets for American produced goods. The bill promises more of the same in one-way reciprocity with America giving and our so-called trading allies taking.

Mr. Chairman, 2 years ago last February the governor of the Bank of Canada became quite concerned about Canada's posture in the financial field, and what the ultimate outcome would be if Canada proceeded on the same merry-go-round that she was on. This article is from the editor of the Montreal Star, by G. V. Ferguson, and it has a caption on it: "Picture of Country Too Big for Its Pants."

What did the governor of the Bank of Canada say? He speaks about foreign currency coming into Canada. He says:

> This money corrects the balance of payments, and for several years has kept the Canadian dollar at a premium in New York. But the consequences in the long run are bound to be had.

This is a statement made by the governor of the Bank of Canada, Mr. Chairman:

> Mr. Coyne's remedies are couched in general terms. Would it be possible to postpone certain projects until we catch up? Would it be possible to pay-as-you-go? Would it be reasonable to pay for needed development not by loans but out of current revenues [higher taxes]?
>
> If we do not develop discipline, we are in for it, he thinks. Distortions in the economy will increase, and continued borrowing will make our trade deficit still bigger. It thus would be all but impossible to deal with inflation, for the explosive pressures would be too great.

What has happened to Canada? Of course, Canada, by executive decree, has raised its tariffs, and increased its discount rate. I wonder why? I think we all know why. Because Canada is determined to get her house in order. And how does it affect us? Of course, naturally, we trade with Canada and we expect to try to continue to export to Canada. But just the other day an acquaintance of mine from the steel industry informed me that the largest steel company in Canada exports iron ingots into the United States and the duty is about 37 cents per ton. But here is what Canada is confronted with; and, of course, also Canadian industry. When they sell their ingots to the United States they accept U.S. currency based on a ratio of 92 cents of the American dollar. What does it do? This is an 8-percent discount. So we take a look at the price of steel ingots and here is what we see. They are about $66 a ton. Eight percent of $66 amounts to $5.28.

So, when you deduct the tariff on it, it comes to approximately $5. We find now that our steel industry has this barrier against its going into the market because of the fact that Canada can sell its ingots to the steel mills in the United States for $5 a ton less than the market calls for in the United States. That is what is happening. It will happen not only in the steel industry, it will also happen in the pulpwood and lumber industry. Canada is asking that when they put their products on the market they receive the amount established for the Canadian dollar of 92 cents which puts our competitive industry to a disadvantage of 8 percent.

Mr. Chairman, this legislation before this Committee today would give to the Executive a 5-year extension of the authority to enter into trade agreements with significantly liberalized standards under which the authority can be exercised. This is a 25-percent longer period than the Congress was ever willing to grant to President Eisenhower. President Eisenhower asked for a 5-year extension, but the Congress cut back his request and I think the Congress was right in doing so although I would have made an even greater cutback than actually occurred. I know of no valid justification why the congressional abdication of constitutional responsibility proposed in this bill now must be for this period of unprecedented duration.

Mr. Chairman, is the smell of roses again in the air; are we about to be taken for another walk in the garden? Or should we weigh these important considerations involved in a 5-year extension in an objective manner and on a basis of substantive merit? Should we inquire as to whether or not there is a need in fact for this delegation? Why should Congress effectively preclude itself from a participation in a review of foreign trade policy for a period of 5 years? If there is such a need would not that need perhaps be served twice as well by a 10-year extension or thrice as well by a 15-year extension?

Mr. Chairman, the membership of this distinguished Committee should realize that should this legislation pass in its present form granting a 5-year extension, we will have completely legislated away the right of the next two Congresses to participate meaningfully in the development of foreign economic policy. As we stand in this Chamber today more than 130 members of this Committee—over 25 percent of the membership—have never before been able to cast a vote on trade policy because two Congresses ago the legislative branch of our Federal Government delegated its power to the executive branch for a period of 4 years—an extension that I opposed. Now we are called upon to approve an even longer delegation so that the State Department's international economic planners will not have to answer to anyone in the Legislature until—not the 88th Congress, not the 89th Congress—but until the 90th Congress. A half a decade from now—that is when Congress may again have even a small voice in formulating foreign economic policy and reviewing its impact on our domestic economy if this legislation passes.

Mr. Chairman, during the lengthy public hearings and executive sessions held by the Committee on Ways and Means no one was able to present a valid reason for the unprecedented period of the extension provided for in this bill. No witness established sufficient grounds to justify the Congress in frittering away for 5 years its constitutional responsibility

for formulating foreign economic policy. Why does it have to be a 5-year period? Is the Congress not to be trusted with a more frequent review of what we are doing and where we are going in our Nation's vital foreign trade program? Does this Congress have to tie the hands of the next two Congresses? Is our wisdom so great that we can better see the needs of our Nation 2 or 4 years from now than the Congress then sitting?

No, Mr. Chairman, these are not the reasons we are now asked to commit the Congress for 5 years. The reason is that the exponents of free trade who designed the administration's original program wanted to be free of the need to answer to the Congress for their acts for as long a period as they thought they could expect to get away with—and 5 years was the period decided upon.

Remember that when you vote on this legislation later today or tomorrow, you will be voting on whether or not you will have any voice in foreign economic policy for the next 5 years. If you vote "yes" you will be saying to your constituents in the textile business, in the forest products industry, in the extractive resources industry, in the manufacturing field, in agriculture—in all areas of economic endeavor—you will be saying that you are no longer able to represent them in tariff and trade matters. You will be telling them you passed the buck for 5 years; that they should go to the special tariff functionary created under this bill or to the State Department for redress of injury from the tide of imports that will sweep upon us as a result of tariff reduction authority contained in this bill. My friends, as you prepare to vote on this measure remember that 5 years is a long, long time to wait to correct a mistake. I urge you not to make that mistake. If the House will reject the extreme delegation of authority provided in this bill, a more reasonable and responsible alternative can be developed by the Committee on Ways and Means and brought before the House in due time.

Mr. Chairman, it is sincerely argued by some of my colleagues in support of this legislation that the proposal represents an improvement over existing law in regard to the tariff safeguards against import injury—those safeguards including the peril point, the escape clause, and the national security amendment. I submit that these safeguards will be even less effective under the bill than they are now, if such is possible. I will predict—confident that the future will regrettably prove the correctness of my warning—that these safeguards will waste away through disuse as the program administrators rely exclusively on the producer-dole program to be established under this legislation. Thus, our workers and our other producers that are idled by our foreign economic policy can look to the bleakness of Government bounty as a substitute for opportunity in private enterprise. We will be helping foreign workers to find employment manufacturing goods to be imported into America while we solve the resulting unemployment of our workers by putting our people on relief.

Mr. Chairman, that does not make sense to me; no matter how you look at it, American cannot win under such a scheme. The cost of the new dole program will raise the taxes on our business community with a lessening ability of our surviving producers to compete in world and domestic markets. This declining competitive ability promises rising dole costs, prolonged and expanded unemployment, higher taxes, and a generally weaker domestic economy.

As bad as this proposed adjustment assistance is for the entire Nation in the long run, it will prove absolutely ineffective even in the short run in some areas of the country. An example of such an area is my congressional district. Much of the employment in the 11th District of Michigan, is derived from utilization and development of natural resources present in the area. Hence, the prospects of an effective retraining or retooling are not bright and yet my people will be called upon to pay the costs of such programs elsewhere.

Another aspect of the discriminatory character of this program of assistance or dole is found in the way it will treat people unequally in the same community or geographical area. For example, the factory worker in a community may qualify for help when imports put him out of work but what happens to the hotel clerk or the filling station attendant in this one-industry community? This disparity in treatment is a serious condemnation of the proposed program and in addition poses a grave threat to the integrity of our Federal-State unemployment compensation programs.

Mr. Chairman, it is inescapable that this tariff program, if enacted, will have an adverse impact on our short-run balance-of-payments position. As we lower our tariffs under this requested authority, our imports will rise more quickly and more sharply than will our exports. In addition, the attractiveness of investment in our domestic economy will dwindle so that job opportunities will be impaired rather than strengthened.

Furthermore, Mr. Chairman, the glaring inconsistency between the proposed trade program and the tax program that passed this House a few months ago under the urging of those who now advocate this trade measure leaves unexplained confusion over what our foreign economic objectives are under this administration. The tax record before the Ways and Means Committee established conclusively that U.S. ownership of oversea subsidiaries stimulated U.S. exports and strengthened our balance-of-payments position. Yet, the administration's tax program seeks to injure such oversea investment at the very time our trade policy would have us further open our domestic markets to foreign produced goods.

Mr. Chairman, I do not choose to delegate authority for 5 years to that sort of muddled leadership that apparently advocates programs of lower tariffs on imports, bigger foreign aid to our competitors, and higher taxes on domestic producers.

I do not propose to participate in the debasement or destruction of America's free enterprise system through the support of policies that weaken individual opportunity and increase reliance on Government management and bureaucratic control. I do not want to go further in helping the Executive in his determined power grab.

Mr. Chairman, I believe the Congress has the responsibility to make frequent review of the administration of our Nation's foreign trade and tariff policy in the light of rapidly adjusting world conditions. We must take periodic action to correct shortcomings or abuses in the trade program. We cannot effectively make such review or take such action if we give approval to this 5-year delegation.

Mr. Chairman, I will not take further time of my colleagues to dwell at greater length on the compelling reasons for opposing H.R. 11970. I will close by urging the defeat of this unsound legislation. Even though the proposal now before us is a considerable improvement over the recommendations sent to the Congress by the administration, it still falls considerably short of adequately meeting our national needs and commitments in the area of providing a sound basis for expanding international trade that is in fact truly reciprocal.

Mr. BENNETT of Michigan. Mr. Chairman, will the gentleman yield?

Mr. KNOX. I yield to my colleague from Michigan.

Mr. BENNETT of Michigan. Mr. Chairman, I wish to commend my colleague for making a very excellent statement on this difficult subject. What he says about Canada, of course, is true. It is true of every foreign nation on the face of the globe. For example, does the gentleman know of any nation outside this country that would permit duty-free imports into its country that would have the effect of destroying one of its own industries?

Mr. KNOX. I certainly do not know and have not been told by anyone else of any such procedure in any other country.

Mr. BENNETT of Michigan. Of course not. Other countries look at these problems realistically. For years we have tied tariff policies up with our foreign aid policies and with our good neighbor policies, for example.

The Tariff Commission time after time has found that injury has been done. Then the case has gone down to the President, and the Secretary of State has told the President:

> In spite of the economic injury that has been done, you cannot do anything in this case because it would have an adverse effect on friendly relations with this other country.

So our industry suffers and our people are out of work.

This bill envisions that our people are going to be out of work. It has 50 or 60 pages devoted to putting our men on relief. Remember, they are going to lose their jobs because of this bill. You are going to put private enterprise on the dole. That is what this legislation is doing. And what constructive things are you accomplishing? If it is going to ac-

complish anything, it ought to be in terms of jobs. We measure our prosperity by the number of people that are working in this country. If this bill is not going to increase the number of people that have jobs, what earthly good is it? What are its advantages? We are well aware of its disadvantages.

I know some of my friends on this side of the aisle who are lending their support to this bill, knowing that it is going to destroy industry, knowing it is going to put men out of work, who are advocating that you take the relief provisions out of the bill. At least the chairman of the committee and the administration are honest enough and decent enough to admit that they are going to put people out of business, but are willing to put liquidated industries and unemployed workers on the dole.

Mr. KNOX. May I say to the gentleman at that point, the question was asked here, I believe, of one of the previous speakers on this matter, "Just how much of this is there going to be?" All I can say is, from the testimony that came before our Committee on Ways and Means that the administration admitted that there would be approximately 800 industries injured and it would amount to 90,000 employees that would have to take advantage of the assistance program. We cannot estimate what the cost is going to be, but it seems to me that if 800 industries were going to be injured under this program, there would be a great many more than 90,000 employees that would be injured also because of loss of employment.

Mr. O'KONSKI. Mr. Chairman, will the gentleman yield?

Mr. KNOX. I yield to the gentleman from Wisconsin.

Mr. O'KONSKI. I have listened to this debate for almost 2 days. It seems to me all we are hearing is a lot of words. I think the true description was given by the gentleman from Missouri when he said we need this thing because we have run out of trading material.

The foreign aid program, the mutual assistance program, the reciprocal trade program since 1934, have run out of gas.

Mr. KNOX. May I make an observation. We have just completed the last round of negotiations under the present act. Those negotiations have not been implemented so they do not know what the impact is going to be upon U.S. industry. I think it would be well for this Congress just simply to extend the present act for 1 year, until we find out what this impact is going to be upon our American industry, before we forge ahead and again give to the Executive the right to negotiate away another 50 percent of what tariffs are left.

Mr. O'KONSKI. I thank the gentleman, but is not the true, honest, and exact description of this bill mainly that, running out of gas, running out of trading material, you are now scraping the bottom of the barrel and asking that American jobs and American business be offered on the trading table?

Mr. KNOX. That is true. I believe in my own mind that the negotiators need a breathing spell, to give the Congress and the American public an opportunity to know just what effect these negotiations will have on the United States.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. KNOX. I yield to the gentleman from Iowa.

Mr. HOEVEN. Earlier this afternoon, there was a colloquy between the gentleman from Arkansas [Mr. MILLS], the chairman of the Committee on Ways and Means, and the gentleman from Iowa [Mr. KYL]. As I recall it, the gentleman from Iowa asked the gentleman from Arkansas, how agriculture would be treated if agriculture was injured through the importation of agricultural commodities, and the gentleman from Arkansas replied in substance that this bill did not contemplate any relief for agriculture. Does the gentleman feel that way also?

Mr. KNOX. Yes, and the same applies to the extracting industry of this Nation of ours such as iron ore, copper, timber products, commercial fisheries, in addition to many other small industries.

I ask this question, under the assistance provision of the legislation what could you convert an iron mine into, a copper mine into, a commercial fishing industry or a timber industry into? This would be an impossibility. So instead of this being a temporary injury it would be a permanent one.

I support the motion to recommit in order that we may extend the present act for 1 year so Congress and U.S. industry may have the opportunity to assess the damages that may occur from the last round of negotiations, and which have not been implemented. Another major factor is what the impact may be on the expansion of industry caused by the recent serious drop in the stock market, which will cause many investors to be reluctant to invest money in stocks—a principal factor in providing funds for the expansion of industry.

(Mr. KNOX asked and was given permission to revise and extend his remarks.)

(Mr. BENNETT of Michigan asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. BENNETT of Michigan. Mr. Chairman, this is a bill to bring about the liquidation of an important segment of American business and industry and to destroy the jobs of hundreds of thousands, if not millions, of American workers. I predict, Mr. Chairman, that if it is carried out as its sponsors have predicted it will be administered, it will cause one of the greatest depressions this country has ever experienced. Obviously, the bill is intended to create jobs and stimulate business and economic activity in European countries at the expense of our own industries and our own workmen. The gentleman from Arkansas [Mr. MILLS], the Chairman of the House Ways and Means Committee, and those of his fellow members who are sponsoring the bill, have candidly admitted that it will cause dislocation and liquidation of industry and jobs of American workmen although all of them have sought to minimize the extent of the damage that the legislation will do in this regard. However, a substantial portion of the pending bill is devoted to various types of welfare programs for both industry and workmen who become innocent victims of this bill.

I have tried repeatedly during the course of the debate on this measure to find out what benefits, if any, will flow from the enactment of the legislation. I have asked repeatedly whether the legislation will provide additional jobs for American workmen and to what extent it will stimulate our industry. I have asked for specific information as to the number of new jobs the sponsors of the bill feel will be created through the enactment of this legislation and from what industries those jobs will come.

In each instance I have received a negative or completely noncommittal response. This conclusion is not surprising to me, Mr. Chairman, because a careful reading of the provisions of the pending bill would cause any reasonable person to conclude that it is geared to help foreign countries at the expense of our own.

No one in his right mind wants this country to quarrel with its allies. On the contrary, we all desire to have friendly dealings and cooperation with those nations who will join with us in the fight against world communism. But friendly cooperation does not, in my judgment, mean that we should sell our own workmen and our own industries down the river to provide employment and economic stability for our allies.

Mr. Chairman, I assert that there is not a single country on the face of the globe—except this one—which would permit duty-free imports to liquidate its own industries and destroy the jobs of its own citizens. This is carrying generosity, good neighbor policy, and friendly cooperation just a bit too far. Yet, those who sponsor the pending bill have been so carried away in their zeal to make friends that they are willing to buy friendship at any price.

Common Market propaganda that has been flooding the country in recent months is 90 percent "myth" as the President charged on another issue in a recent speech. Free trade will never work to our advantage as long as our production costs remain greater than those in other countries. The fact that we are not competitive because of our higher production costs is one of the principal causes of unemployment in the country today. To further throw our markets open to unrestricted imports of cheaply produced commodities from abroad is courting disaster of the worst kind.

Yet, this legislation is premised on the fact that if all trade barriers be removed, this country would profit in the balance of trade. Nothing could be further from the truth.

Mr. Chairman, I regret that this legislation is before the House today under a gag rule with no opportunity whatsoever to offer amendments. For several years, I have had legislation pending in the House Ways and Means Committee

to restrict the flow of iron ore imports from abroad. This unrestricted and uncontrolled flow of iron ore from other countries has practically ruined the domestic iron mining industry. If the parliamentary situation had permitted me to do so, I would have offered my bill as an amendment to the pending measure. I would much prefer to have a healthy and thriving domestic iron mining industry than mines which are closed and miners who are receiving unemployment benefits instead of paychecks. Many other industries in the United States are just as adversely affected and if this bill is enacted, there will be many more.

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield such time as he may require to the gentleman from Pennsylvania [Mr. VAN ZANDT].

Mr. VAN ZANDT. Mr. Chairman, recognizing H.R. 11970 as probably the most important piece of legislation to be considered by the 87th Congress, like others I have spent a lot of time in studying the six volumes of hearings, the House Committee Report, as well as a good cross section of the editorial comment throughout the Nation. Up to now I have listened to most of the floor debate, both on the rule as well as the bill itself.

With the information I have acquired, I have considered H.R. 11970 from the standpoint of the national interest as well as the interest of the State of Pennsylvania and my three county area, which comprises the 20th District of Pennsylvania.

As the record will show, I have as a general rule supported reciprocal trade when it contained safeguards for American industry. These safeguards embraced the so-called peril point and escape clause designed to provide relief for industries affected adversely by reciprocal trade agreements.

Being brutally frank, the peril point clause virtually existed in name only because industries, especially in my district of Pennsylvania, found it meaningless and ineffective in providing any relief.

The following significant statement concerning our foreign trade and the number of exporting firms in the United States is contained in an article with a Washington dateline of June 26, 1962, by columnist James Reston, New York Times News Service:

> Very little mail is arriving here about the President's venturesome new trade bill. Of the 200,000 businesses in the country, only about 3,000 are engaged in foreign trade, and many of the rest have some grievance or fear about the dangers of foreign competition to some business in each Congressman's district.

As we all know, the Department of Commerce undertook to furnish each Member of the House with a so-called export study which also contained export information regarding a Member's own district. According to the information furnished me, 14 business and industrial firms in my congressional district in Pennsylvania exported manufactured goods in 1960 valued at $5.4 million. These firms employed some 4,500 employees which is approximately 4 percent of our total labor force in Blair, Centre, and Clearfield Counties.

Since the Department of Commerce has attempted to show benefits accruing from export shipments, I would like to reveal the evil effects of cheaply manufactured foreign products that have adversely affected the economy of the central Pennsylvania area.

To begin with, out of a labor force in excess of 105,000 the 20th Congressional District has had persistent and chronic unemployment for years. This is proved by the fact that my congressional district is among the labor surplus or distressed areas of the Nation and has been certified by the U.S. Secretary of Labor as being among the major depressed areas of the Nation. At the present time there are about 10,000 persons unemployed. Much of this unemployment can be charged to depressed business conditions that are traceable to foreign competition. Industries adversely affected include coal, railroads, shoes, glassware, clay mines, brickyards, tanneries, sporting goods, textiles, meters, copper and brass products, lockwasher valves, ball bearings, candy, canners, electronic products, mine equipment, and so forth.

The fact that H.R. 11970 contains a provision to reimburse manufacturers and employees is an open admission that the trade bill will prove injurious to American industry. Frankly, there is a question in the minds of many of us that the proposal to avert injury will be impractical if not difficult to administer. If this is the case, then relief is possible and such a provision could become meaningless. The result would be that in my congressional district industries and the jobs of wage earners would be destroyed. Frankly, by elimination of protection of American industry from unfair competition abroad, such action would leave us with a no-man's land in central Pennsylvania.

As mentioned in the beginning, I have not confined my consideration of H.R. 11970 solely to its effect on my congressional district. In fact, I have viewed the legislation from the standpoint of the national interest. In so doing, it was my hope that when the bill was being read on the floor of the House it would be open for amendments, and thus made acceptable to many of us who would like to support the legislation. However, Mr. Chairman, the bill is being considered under a gag rule barring all amendments. The result is you take the bill as it is or you vote against it. This is nothing short of legislative coercion. It ties my hands as a representative from the State of Pennsylvania which for years has suffered from grave unemployment.

In addition to the gag rule which I object to, I am greatly concerned about the Common Market and the fact that Great Britain has not yet joined this European trade group. I am mindful of the cloudy domestic economic situation prevailing in the United States and which was highlighted by the recent stock market revolution. Another concern is over Canada's recent action in raising tariffs to help solve a balance-of-payment problem in that country.

Finally, I cannot overlook the retaliatory action by the Belgian Government on the part of the Common Market to assist the Belgian carpet and glass industries because of President Kennedy's action to increase duties on carpet and glass items to protect our domestic industries. This action alone on the part of Belgium is an indication of what we can expect in the form of mass action by other nations.

Getting a little closer home, in 1957 the United States shipped 16 million tons of coal to West Germany. With the exception of Italy, the Common Market countries have since imposed tariffs or quotas on the importation of coal from the United States.

Despite efforts by our State Department, West Germany announced that it would not change its tariffs or quotas on coal. And believe it or not—France is negotiating with Russia for the importation of coal in preference to coal from the United States even though we can deliver coal to Europe cheaper than it can be mined on the Continent. To top it off, the Common Market proposes to set up a single purchasing agreement for coal; thus permitting greater discrimination against imports from the United States.

Mr. Chairman, under H.R. 11970 the President of the United States for the first time in history would be given absolute power to dictate the terms and conditions of all foreign trade without answering to Congress and the American people. The Chief Executive, whoever he may be, could use the authority primarily as an instrument of foreign policy without regard to the effect on the domestic economy of this country.

To date I have received hundreds of letters from persons in all walks of life asking me to oppose the pending legislation. In fact, 6 months ago I conducted a poll in my congressional district, and of the 2,600 who returned questionnaires nearly 73 percent were opposed to the revision of reciprocal trade agreements as contained in the legislation before us.

Mr. Chairman, it is my sincere opinion that this Nation is not yet ready to adopt such sweeping changes in our foreign trade policy as provided for in H.R. 11970, the Trade Expansion Act of 1962.

Like many, I recognize the problem this Nation faces from the so-called European Common Market. Nothing would please me more than to be able at this time to sanction membership in the Common Market. I am convinced, however, that the situation demands further study, and for that reason it is my intention to support a motion to recommit the bill with instructions that the bill be returned to the House immediately and that it provide for a 1-year extension of the present Reciprocal Trade Act. Meanwhile, it is my hope that the cloudy economic picture in the Nation may clear and that Great Britain will have reached a decision on joining the Common Market.

In short, I am hopeful that a study of the problem during the next 12 months will enable Congress next year to consider the legislation, richer in experience and with a more complete understanding of the impact of the provisions of H.R. 11970 on the domestic economy.

In the event that the motion to recommit the bill should fail, I shall have no alternative but to vote against H.R. 11970.

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield 20 minutes to the gentleman from California [Mr. UTT].

Mr. HIESTAND. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and twenty-three Members are present, a quorum.

The gentleman from California [Mr. UTT] is recognized.

(Mr. UTT asked and was given permission to revise and extend his remarks.)

Mr. UTT. Mr. Chairman, we started out on the discussion of the trade extension act yesterday with a great extravaganza. It is the first time I have ever been here when a major bill has come out of the Committee on Ways and Means that the chairman of the committee did not come down into the well and give a clear, factual and fine explanation of the bill. I do not know why there was a reversal of procedure, but we were treated to a bit of southern oratory yesterday by a man who is brilliant, by a man who is charming, and by a man who is able and persuasive, the gentleman from Louisiana. But he soared into oratorical flights appealing more to your imagination than to your reason. I found little parts of his speech that referred to the bill that was before the House. Not only is the gentleman charming, brilliant and able, he is very flexible. He is able to give a very persuasive argument for quotas on shrimp coming into New Orleans.

He is able to make a very impressive argument for special tax treatment for foreign-based subsidiaries as he did on H.R. 5 when it was before the House and to oppose this tax treatment the next year as he did on section 219 of 1962 tax bill which tightened up the tax on foreign-based subsidiaries. In baseball we would call such a person a utility player because he can take any part and do a marvelous job in any position to which he is assigned.

He talked about overemployment in the Common Market and said this bill would provide overemployment in America. There is no relationship between any foreign employment and employment in America. They have overemployment in the Common Market countries because they try to make production increases exceed the labor cost and are able to increase consumption and become competitive not only with the United States but also with every other country of the world. So their overemployment is not due to the simple fact that they have a common market.

We must remember that the Common Market is a very closely-knit area. They do free trading among themselves, but then they raise their barriers against any products from the United States and an absolute embargo against the importation of any product from Japan. That means that the United States is going to have to absorb a great deal more of the surpluses that are produced in Japan and other parts of the world.

He also assured you as certainly as you are sitting here, that Great Britain was going to become a member of the Common Market. I say that the chances are less than 50-50 that Great Britain will become a member of the Common Market. Six weeks ago I would have said they would, but Great Britain has taken another long look at the Common Market and now finds it would destroy their Commonwealth trading arrangement and raise barriers against Canada, Australia and New Zealand and all other possessions. But they also are facing the fact that the Common Market is a free enterprise area system and Great Britain has nationalized a great many of its industries and they would have to absorb surpluses from the Common Market and West Germany and other member nations, Belgium and the Netherlands, without any tariff protection whatsoever, and they cannot afford that. After another long look, my prediction is that England will not become a member of the Common Market, nor will Ireland, or any of the outer seven. So you cannot take it for granted they will come in, because they have too many problems.

It has been said that we have no trading margin left, no negotiating power. I disagree with my colleagues on that subject. We have a greater power than you have any idea of in the hands of hard negotiators, if they would sit at the table and say: "Gentlemen, you violated nearly every concession which we have given you, and if you do not correct that violation and grant the concessions you promised us, then we are going to withdraw our concessions." We would see them come into line and we would be able to ship our products into the Common Market, because they would implement the concessions they have already promised us.

I might also remind you that any treaty can be repealed by act of Congress, can be revoked by action of the House and Senate any time the other party violates its part of the agreement. Any breach of contract on the part of our trading countries can be reversed at any time we want to.

We also have another trading power, and that is that the United States of America is the greatest consuming area in the world. It is the target of every producing country in the world wanting to bring its products within our borders and sell to us. If we had a hard-nosed negotiator he would not have any difficulty in taking advantage of that situation by telling them we would not grant them concessions unless they grant us concessions. And if we later become a hard trader instead of a soft-nosed trader we have a lot of trading stock left in the present Reciprocal Trade Agreements Act.

Moreover I would like to call your attention to a clause that not only is in this bill but also is in the current bill. That is the most-favored-nation clause.

Our smart negotiators went up to Iceland at one time. They had some product they wanted to get into Iceland, and they thought they had made a real smart move. Iceland said, gentlemen, we will let you bring your product into Iceland if you will allow us the free importation of tuna into the United States. They thought that was a good deal. But the minute that that act went into effect, Japan invoked the most-favored-nation clause and nearly destroyed the tuna industry of America until today they control over 50 percent of the consumption of tuna in the United States of America, and our producers are limping along on less than 50 percent of the tuna catch.

Under this bill we simply give the President a hunting license to destroy any industry he happens to choose to destroy. The bill does not say that.

The gentleman from Arkansas [Mr. MILLS] was correct when he said it does not lower tariffs, but it does give to the President the right to lower rates, to lower them below the peril point, and he can pick out any industry he wants to make expendable and it can be destroyed.

The very fact that the bill itself contains 50 percent of its pages on welfare indicates the terrific impact this bill will have. If there were only going to be 18,000 men out of employment, as has been said, we have training programs, we have the Small Business Administration, we have enough departments to take care of that number. But they are looking for an impact that will be so great they will have to set up a very comprehensive program of welfare. You can call it unemployment. That is what I call it. We may give assistance to an unemployed worker for 1 year, we may give it for 2 years, or longer.

The very fact that we can put any industry out of business is not very much of a comfort to a business that is not operating at a profit.

Let me say that unemployment, whether it is for 1 year, 2 years, or 3 years, is not a substitute for a job. What about the man who is 40 or 50 years old? He is thrown out of a job because of imports. He takes a little retraining, maybe for 1 year or 2 years. But who is going to employ that man after he is retrained, because we have cut down our industries and they will not employ a man who is 40 or 50 years old. He is going to be on charity for the rest of his life. You who say you are the great friends of labor are going to have to go home, look your men in the face, and tell them that "I voted to put you on the dole for the rest of your life." That is exactly what will happen.

Let us look at what has happened since we examined this Trade Expansion Act in committee. Some shocking things over the world have occurred, and some in our domestic economy. I call your attention to the stock market crash. There have been $150 billion lost by owners of stock in this country within the last 60 days. And that is only a small consideration. It is bad enough for those who owned the stock and who have had to sell it and take the loss. But who knows what the collateral effect of that loss is going to be? How many expansions in industry have been canceled? How many home constructions have been canceled? How many iceboxes have

been canceled? How many trips abroad by people who thought they had the money have been canceled? That data will not filter into the Department of Commerce or the Department of Labor for 60 or 90 days. Until we know what the collateral effect is going to be, we should be very careful in guiding this country into a depression in 1963 that could be the worst depression we ever had.

The administration's own labor consultant, Mr. Claque, suggested that there were indications in the air that we could have a very severe depression in 1963. This gentleman has had to reverse his statement on that because of some pressure from within.

We do not know the collateral effect of what Canada is doing. Canada has placed an absolute embargo on the importation of many American products. Canada constitutes our biggest market for exports, and that export to Canada can be cut 50 percent within the next 6 months, and that means a $2 billion decrease in exports to Canada. And, those were dollar exports. We had dollars coming from Canada. And, when you talk about $5 billion export surplus, about $3 billion was given away, and yet we call that a trade export. If we had a $5 billion export surplus, such as suggested by the gentleman from Louisiana yesterday, we would not have a problem with balance of trade payments; we would have a surplus, and we would be able to negotiate from a position of strength and not a position of weakness. We have not had a chance to determine what the impact is going to be on the 20 percent additional cut in tariffs that becomes effective on the 1st of July.

Now, I have a letter here from the United Steelworkers of America, the president of Local 171, in Carnegie, Pa., where they have shut down the Superior Steel Corp. They called a mass meeting. They wanted to know what was happening to them and they wanted to know how it could be prevented from happening again there or happening in other places. Well, I will tell them what is happening to them. The U.S. Government is purchasing its steel from companies abroad where we have built them free steel mills, gave them automation, and now we are buying millions of dollars worth of steel from those foreign countries. In the State of California there is not one reinforcing bar that is made by our domestic producers except those that go into Government contracts because of the Buy America Act.

On top of that we are facing a sagging economy. Those are the things that are facing the steel companies in America. So, we set up adjustment assistance, a real plush plush, silk stocking deal, where they train these men who are out of a job and where they are able to get 65 percent of the average industrial wage of America and get it for a certain length of time. It is income tax free. It is too bad for those families, because when the time of training is over there will be no opening to take care of those people, and they will be on the dole for the rest of their lives. We have to face the facts not with those rose colored glasses, but we have to look at some of the cold facts. Business failures in America are at their highest point in history. Home foreclosures are at the highest point since 1934 and steel production is off from 50 to 60 percent of capacity. With those things in mind, how can we jump into a pool before we know whether there is water in that pool? How can we jump into a pool if there is a little bit of arsenic floating on the top? A very important statement was made by the chairman of our committee. He said there is more good in this bill than there is bad. I can give you 4 ounces of pure water and 1 ounce of arsenic, four times as weak as the pure product, but that 1 ounce will kill you just as quick as the pure dose. That is what we have in this bill. There is one part arsenic to one part of good, and it is going to kill American labor, it is going to kill American industry, it is going to kill American agriculture.

I can say to those Members who represent lumber areas, you are not going to have any lumber business if this legislation is passed. It is bad enough in the Northwest as it is, but this will make it worse.

Mr. Chairman, we will not get agricultural products from California into the Common Market because they have a preference clause to the effect that they have to use up their own agricultural production before they can import it from the United States, and their agricultural production is going up each year. California will be foreclosed from the Common Market insofar as agricultural production is concerned.

Mr. Chairman, there was a great deal made out of the fact not long ago that our unemployment had gone down to the extent of 1 million people. That is quite a record. But of that 1 million people, 100,000 of those people went on the Federal payroll. It takes the income tax from the whole of the 1 million to pay that 100,000 who went onto the Federal payroll.

Mr. Chairman, if we will look back to the 11th day of April, I will say to the Members of the House that within 12 months from that day there will be not 18,000 unemployed steelworkers; there will be 100,000 steelworkers unemployed within the next 10 months. Also, dating back from the time they put the profit squeeze on free enterprise and private industry in the United States, and that ought to give us a lot to look at, we are not going to have prosperity. The gross national product is no indicator of prosperity, because I can do 1 million worth of business and make $100,000, or I can do $2 million worth of business and not make a nickel, while the gross national product continues to go up, profit does not. But there is no profit there, and that is what it takes to make the wheels go round.

Mr. Chairman, venture capital has absolutely dried up in the last 60 days. You cannot float the best issue in the world on venture capital today for expansion of industry. We have to remember that these are problems which we have to face.

What are we going to do about the administration of this so-called unemployment, or aid? Let me give to the Members of the House an example: Corporation A goes out of business because of imports. It has 500 employees. Corporation B, which was the sole supplier of that firm, goes out of business. One of them receives a plush, plush unemployment training program. The other one receives nothing. He goes back under the old State-Federal program. They live side by side. Somebody is going to be mad, and they are going to come back and say "Let us all move up to that plush, plush, silk-stockinged program, because this is not fair." Then, every man will go before the Tariff Commission and try to prove he is out of a job because of imports. When they do that, these millions of men go before the Tariff Commission, you will have a demand for protection that you have never seen before, and the Smoot-Hawley bill will be small compared with what will be demanded in the next 3 years if this bill goes into effect. That I do not want to see. I want to see international trade, I want to see international trade expanded on a two-way street so that it brings about prosperity, but not at the expense of the American worker who will have to go on dole after his training has expired.

Mr. HARVEY of Indiana. Mr. Chairman, will the gentleman yield?

Mr. UTT. I yield to the gentleman from Indiana.

Mr. HARVEY of Indiana. Mr. Chairman, the gentleman has made an excellent statement. I would like to ask the gentleman to comment briefly upon the actual functioning of the so-called saving provision in the present act, and relate it to what we might expect in the future one.

Mr. UTT. I can see no reason for change. I know that there have been dozens of rulings by the Tariff Commission granting relief to American industry, but less than seven of these cases over the last 10 or 12 years have ever been implemented by the Executive. I assume we would have the same type of administration.

Mr. HARVEY of Indiana. If the gentleman will yield further, as one who tried to help a small industry receive relief under this so-called saving provision during the past administration, I found it almost an impossibility.

Mr. PUCINSKI. Mr. Chairman, will the gentleman yield?

Mr. UTT. I yield to the gentleman from Illinois.

Mr. PUCINSKI. I understood the gentleman from California [Mr. UTT] to say that the President could wreck—if I understood his statement correctly—any industry that he wanted to under this bill. My impression is that the bill does provide several safeguards through the authority of the Tariff Commission and various other procedures.

Would the gentleman from California be good enough to elaborate on that point? How can the President—assuming he might be the President of the United States under either a Democratic or Republican administration—maliciously and capriciously destroy an

American industry, assuming there was this situation? How could he do it under the terms of this act?

Mr. UTT. The act has enough latitude to do that. The administration witnesses said that there would be some 800 industries that were expendable; it might be yours, it might be mine.

Mr. PUCINSKI. Can the gentleman pinpoint the language of the act that would give the President that broad power?

Mr. UTT. It is all through the act. He has absolute, dictatorial, arbitrary, and capricious power.

The CHAIRMAN. The time of the gentleman from California [Mr. UTT] has expired.

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield the gentleman from Ohio [Mr. BETTS] 15 minutes.

Mr. BETTS. Mr. Chairman, in connection with the remarks made by the gentleman from Michigan [Mr. KNOX] with respect to the Canadian situation, I thought it might be interesting to note some comments in the Bureau of National Affairs of June 28, 1962, which are as follows:

> Canada's austerity program will complicate U.S. economic programs, by reducing our exports and aggravating our already acute balance-of-payments deficit. * * *
>
> The effect on the United States will be to reduce our exports $200 million or so annually and to encourage the flow of U.S. capital north of the border.
>
> Canada is raising duties 5 percent to 15 percent on half of its imports and reducing the duty-free goods that Canadian tourists can bring back to the country. * * *
>
> The moves will have a major impact on U.S. exports to Canada * * * machinery, steel products, plastics, textiles, appliances, furniture, wine, beer, cigars, cameras, jewelry, rugs, paper products, to name only a few. Canada is this country's most important customer, taking nearly $4 billion of our exports annually.

I mention that in view of the statements made by the gentleman from Michigan.

Mr. CEDERBERG. Mr. Chairman, will the gentleman yield?

Mr. BETTS. I yield to the gentleman.

Mr. CEDERBERG. Mr. Chairman, I am interested in the comparison between the problems the Canadians face and those that we face. They have a balance-of-payments problem, and so do we. They have been running fiscal deficits and so have we. They have an unemployment problem, and so do we. It seems that the Canadians, in order to solve their problems, are taking just the opposite approach from that which we are taking. In other words, they are raising their duties on imports into Canada. Therefore it would seem to me wise on behalf of the U.S. Government and of the Congress to wait, and for us to vote for the motion to recommit, which will provide that we shall extend the present reciprocal trade agreements for 1 year.

By that time we can find out who is right. Either the Canadians are right and we are wrong, or we are right and they are wrong. This would give us an opportunity to find out what the reaction will be on their problems which are similar to ours.

Mr. BETTS. I think the gentleman's observations in connection with the Canadian situation are absolutely correct and I agree with him.

Mr. MEADER. Mr. Chairman, will the gentleman yield?

Mr. BETTS. I yield to the gentleman.

Mr. MEADER. Mr. Chairman, I asked the chairman of the committee what information was contained in the report or in the hearings as to the total cost of this adjustment assistance program. I had in mind additional functions imposed upon the Tariff Commission to process the petitions for a determination that an industry or a firm or a group of workers had been injured by imports; that additional duties were imposed upon the President, and that there must be procedures and personnel in the office of the President for him to make the determinations this act would require of him.

Additional duties are imposed upon the Department of Commerce to determine what assistance may be given to firms either in the form of tax relief or in other forms, such as cash payments or loans. Additional duties are imposed on the Labor Department to provide adjustment assistance to workers whose jobs have been taken away from them due to imports. Are there any figures or estimates of the increase of personnel and the cost thereof which will be necessary because of these new functions imposed on existing agencies, and has anyone made an estimate of the possible benefits which go to firms or employees because of the provisions of the adjustment assistance section of this bill?

Mr. BETTS. I am not sure I have the answer to all the gentleman's questions, but I think Secretary Goldberg, if the gentleman will refer to his testimony in the hearings, estimated that the cost would run about $30 million for the life of the bill or about $6 million a year.

Mr. MEADER. In the hearings the figure of $30.6 million appears for benefits.

Mr. BETTS. That is correct. As I recall, when the bill was originally introduced there was provision in it for a revolving fund of $100 million, which is an indication, when it was taken out of the bill, that probably the administration felt it was going to cost more than that. I am throwing that out as an indication of the fact that it probably would cost more than the $30 million estimated.

Mr. MEADER. May I point out that on pages 1006 and 1007 of the hearings there is comment by the Tariff Commission on the increased burden that will be imposed on their staff to make the determinations that are required by the petitions for relief. On page 1019 the Tariff Commission says it would be absolutely impossible for them to make any estimate of the additional personnel and additional cost of this program to be imposed on them. My impression is that the record is very deficient in giving us any idea of what this program is going to cost, not only in terms of added personnel and the benefits that are provided but also in the reduction of customs duties and the revenue that we will receive when customs duties are reduced.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. BETTS. I yield to the gentleman from Illinois.

Mr. FINDLEY. Free trade is a commendable goal in the marketplace system, but I am beginning to wonder whether the administration will actually move toward free trade or simply shift from tariffs as a means of controlling trade to cartels. I invite the gentleman's attention to the recent action in this body at the urging of the administration in the passing of the Cotton Textiles Agreements Act, which is a scheme to wreck cotton textile markets; to the administration farm bill, which happily was rejected last week, but which had its own built-in protection devices; and to the Sugar Act, which wraps up tariffs and all sorts of price-fixing mechanisms within itself.

Mr. BETTS. I simply say, as I understand it, that we are in the position of objecting to regulation and control of agriculture within the common market but at the same time we are insisting on having those programs here in our own country.

Mr. FINDLEY. That is very inconsistent.

Mr. BETTS. That would be my opinion.

Mr. JOHANSEN. Mr. Chairman, will the gentleman yield?

Mr. BETTS. I yield to the gentleman from Michigan.

Mr. JOHANSEN. Pursuing the question raised by the gentleman from Michigan [Mr. MEADER], I am sure the gentleman from Ohio and the other gentlemen on the committee are familiar with Public Law 801 of the 84th Congress, which requires that where there is set up a new program involving the expenditure of more than $1 million, it is mandatory that Congress be provided an estimate of the additional personnel required for each of the first 5 years.

I wonder if the gentleman from Arkansas, the distinguished chairman of the committee [Mr. MILLS] can tell us whether the law has been complied with in this respect.

Mr. BETTS. I would be glad to yield to the chairman of the committee, if he cares to comment on that.

Mr. MILLS. I will try to answer the gentleman's question.

Mr. JOHANSEN. My question is—under the provisions of Public Law 801, 84th Congress, it is necessary that there be a projection for 5 years of the estimate of the number of additional personnel required, if an appropriation or a new function is to involve the expenditure of $1 million-a-year or more. My question is—has the law been complied with?

Mr. MILLS. The law would be complied with in this instance as the departments go before the Committee on Appropriations requesting the appropriation. We are not making any money available here. We are merely providing an authorization. But, if the gentleman will look at the committee hearings on this legislation at page 3,800,

there was a question of our colleague, the gentleman from Tennessee [Mr. BAKER] as to the overall estimate of the entire cost of this program. For a 5-year period it was estimated that loans to firms would run about $100 to $120 million; tax relief to firms about $10 million; readjustment, training and allowances to workers $45 million; the portion of the $45 million above which represents added budget costs, $31 million; and, technical assistance to firms $15 million. It is all set forth on the page to which I have referred.

Mr. JOHANSEN. If the gentleman will yield for just a moment further, am I to understand then that Public Law 801 is not to be complied with in connection with the authorization which makes inevitable the increase of personnel, but only when you come around for the money?

Mr. MILLS. We are not authorizing additional personnel as such.

Mr. JOHANSEN. I am afraid the gentleman misses the point. You are authorizing additional functions which make necessary the additional personnel.

Mr. MILLS. The personnel to carry out those additional functions would have to be authorized by other committees. We are not doing it here.

Mr. BENNETT of Michigan. Mr. Chairman, will the gentleman yield?

Mr. BETTS. I am glad to yield briefly.

Mr. BENNETT of Michigan. It is difficult for me, Mr. Chairman, to sympathize with those of my colleagues, for whom I have the greatest admiration and respect—as I say, it is difficult for me to sympathize with them when they get concerned about the cost that this bill is going to involve in taking care of industry that is bankrupted and men who are put out of their jobs. If you are going to vote for a bill that is going to dissipate industry and liquidate and put men out of their jobs, as admittedly this bill is going to do, I would be willing to vote for 50 times the amount of money involved here, at least to take care of them. If you want to prevent this cost, then vote against the bill.

Mr. BROWN. Mr. Chairman, will the gentleman yield?

Mr. BETTS. I yield to the gentleman briefly.

Mr. BROWN. Does not the gentleman from Ohio, who has had a great deal of legislative experience in our own State of Ohio as well as here, believe it is a rather peculiar situation that the passage of this bill, that is, the administration's bill here today, depends upon the votes of certain Members from certain areas who have been made the beneficiaries of an increase in protective tariff for the cotton textile business of this country in order that they enact a bill which would bring about free trade and which will injure other industries?

Mr. BETTS. That is true. I thank the gentleman for his contribution.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. BETTS. I yield to the gentleman.

Mr. CRAMER. Is it not true there is no provision for agricultural adjustment assistance at all under this bill so that all farmers are left out?

Mr. BETTS. That is right. The farmers' tax money will go to help pay the unemployment compensation of workers who are dislocated as a result of this.

Mr. CRAMER. That is right. The second point is under the present peril point escape clause provision, the intent and purpose is to prevent injury to American industry under the present law. Does not this completely shift the whole philosophy of negotiations to encourage the hurting of American industry by free trade and that, if they are hurt, there is going to be adjustment assistance?

Therefore, it is all right for the negotiators to ignore the injury because the injury is going to be paid for. Is not the obvious result of that going to be that more industries will be hurt at a substantial increased cost to the taxpayer?

Mr. BETTS. I thank the gentleman for his contribution. The gentleman will find that covered in my prepared statement.

Mr. Chairman, I hope that the Members of this body on both sides of the aisle have taken the trouble to read the separate views which I and four of my colleagues on the Ways and Means Committee made at the time the committee reported this bill. In contrast with the 69 pages of text which make up the report of the majority, our views are set forth on 2½ pages. No Member can complain that it would be too time-consuming, therefore, to study our reasons for voting against this bill.

Anything as bulky as the 82 pages of the bill as reported by the committee or the 104 pages of the committee's printed report is bound to scare off many Members busy with other legislative responsibilities. It is not likely that many of the Members of this body have actually read the bill page for page, line for line, as I have, or that they have read the committee's report, let alone the minority statement of views at pages 102, 103, and 104. Yet the innards of this bill contain the most far-reaching grant of power ever attempted by the Ways and Means Committee in the tariff and trade field.

If I can have the attention of the Members for a few minutes, I think I can tell you plainly and simply about the main problems in this bill which make it unwise legislation.

First, the amount of authority which the bill would give to the President. If there are Members here who feel that it makes no difference how much of its authority to regulate foreign trade the Congress hands over to the President, they will not be interested in what I have to say. But the rest of you who feel that we have an obligation, first, to know how much authority we are handing over and, secondly, to place some limits on that grant of authority, should be very interested in what I have to say.

This bill would allow the President to eliminate duties entirely; that is, reduce them from their present level down to zero. The Congress has never given the President this kind of authority before. Always we have placed a limit on the extent of reduction. At first the President was allowed to reduce duties by 50 percent. Then in later years we limited the reduction by 20 percent and by 15 percent, basically at the rate of 5 percent a year.

There were two reasons for so limiting the President. First, the constitutional reason, that Congress may delegate legislative power only under specific guidelines and limits. By using the percent limitation on reductions, Congress exercised its own judgment as to the basic amount of tariff change which was wise for the country; and by the other standards in the legislation, the Congress directed the President how to determine which tariffs would be reduced by that amount.

The second reason for the limitation was one of natural prudence. The history of Executive use of delegated power is that authority once granted is rapidly used up. The technique which has been used again and again by the State Department in the trade agreements program is quickly to expend all of the tariff-reducing power granted by the Congress, and then to come back clamoring for more to deal with a new or fancied emergency in trade relations. In past years a Congress properly jealous of its constitutional prerogatives was reluctant to give the State Department—for it is that Department which actually uses the President's authority—the power to eliminate duties, for the Congress knew that such power, once granted, would be quickly used and then the United States would be left with no bargaining power to use in coping with foreign trade developments of the future.

These two reasons, a proper regard for our constitutional responsibilities and prerogatives, and a proper regard for natural prudence, were rejected by the majority members of the Ways and Means Committee in reporting this bill. I hardly need to add that these basic policy considerations were also rejected by this administration in drafting the unprecedented claim for power represented by H.R. 9900, the original version of the bill before you today.

It must be said to the credit of Chairman MILLS and the other members of the Ways and Means Committee that many constructive changes were made in the bill by the committee. H.R. 9900 was such a hopeless text that regardless of the liberal or conservative persuasion of the committee members, a decent regard for their own sense of craftsmanship compelled them all to join in a virtual complete rewrite of the bill from a technical point of view.

But this rewriting job was carried out under the votes of the majority party so as to leave intact the unprecedented grants of power desired by the administration.

Thus, we still find four separate sections of the bill authorizing a complete elimination of duties. It is hard to know which of these in practice will turn out to be the most far-reaching.

Section 211 of the bill is designed so that the President can fashion a system of broad categories of imported articles in which the United States and the Com-

mon Market countries may have supplied 80 percent of the value of the world's exports during shifting representative periods. When the Republican members of the committee insisted that the administration identify the categories of imported articles which would be subject to elimination of duty under this provision, we were supplied with the listing which has been reproduced at pages 279 to 307 of volume 1 of the committee's printed hearings. We have no way of knowing whether that is an accurate listing or how much this list will be or could be expanded under the change in language which the committee adopted to section 211. Members can peruse that listing at their leisure.

I have attempted to condense the hundreds of commodity classifications listed by the administration into broad general categories of articles so that we could have some idea during this debate of the industries which would be subject to total elimination of duties now applying to products competitive with their production. These are as follows: Organic chemicals; other industrial chemicals, including insecticides; plastics, resins, and starches; pigments and paints; perfumery, cosmetics, and soaps; rubber articles, natural and synthetic; glass products; leather manufactures; power generating machinery; farm machinery; office machinery; industrial machinery; electrical machinery; motor vehicles; railway vehicles; nonmotorized wheeled equipment, including bicycles; photographic and cinematographic supplies; musical instruments; record playing equipment; confectionery and sugar; margarine and shortenings; nonalcoholic beverages; tobacco manufactures; coal, coke, and briquettes.

The second duty-elimination provision in the bill, section 212, covers agricultural commodities. Originally in H.R. 9900, this authority applied to agricultural commodities and the products thereof. The committee did not know how extensive this authority would be because the products of agricultural commodities obviously make up a very large list. In executive session the administration disclaimed any intention of going beyond the basic commodities themselves, and it was suggested that this meaning could be tied down by referring in the bill to Agricultural Handbook No. 143 of the Department of Agriculture.

This handbook has been reproduced in the printed hearings of the committee at pages 329 to 478. When you study that handbook you will find that for many categories of agricultural commodities, products are also listed. Therefore, the object which the committee had in mind of limiting section 212 to the basic commodities themselves has not been accomplished by referring in the bill to this handbook. Obviously, we do not have the time here on the floor of the House to go over a listing that takes up 149 pages of the printed hearings. I have attempted to condense that listing of agricultural commodities and products which can be transferred to the free list under the authority of section 212 of the committee's bill so that its scope could be easily comprehended. The categories of items subject to duty-free treatment appear to me to be as follows: Sugar; molasses and sugar sirups; unmanufactured tobacco; live animals; meat products, including fresh, chilled or frozen beef, mutton, lamb, and pork, bacon, hams and shoulders, pork sausage, canned beef and meats; poultry, live or dressed, fresh, chilled or frozen eggs, fresh, frozen, or dried; dairy products, including milk and cream, fresh or sour, dried, condensed or evaporated, butter, oleomargarine, and cheese of all types; miscellaneous animal products, including gelatin, glue, casein, meat extract, bristles, edible oils, tallow, and lard; animal and fish oils, inedible; vegetable oils and fats; essential or distilled oils; oilseeds, including cottonseed, soybeans and the like; grains and preparations, including flour and meal, cereal breakfast foods, biscuits, wafers, cakes, and bread; fodders and feeds; fruits and preparations, including all fruits in the natural state, green or ripe, in brine, dried, or prepared or preserved, or frozen; jellies, jams, marmalades, and fruit butter; fruit paste and pulp; fruit juices; beverages, including still wines, vermouth, champagne, beer, ale, malt extract and non-alcoholic beverages; vegetables and preparations, green or ripe, dried, or prepared or preserved; nuts and preparations, shelled or unshelled, blanched, roasted or otherwise prepared or preserved; seeds; nursery and greenhouse stock; raw cotton and cotton waste; other vegetable textile fibers and silk, unmanufactured; wool and other animal hair, unmanufactured; hides and skins, raw; drugs, herbs, and the like, including those advanced in condition, and fish oils; miscellaneous vegetable products, including monosodium glutamate, yeast, flavoring extracts, vinegars, sauces, soups, pastes, coffee essence, cocoa, chocolate, chewing gum, and other edible preparations.

Thus far I think that the Members of this body can see that the authority which would be given to the President under section 211 pertains to a great part of our industrial economy, while the authority which he would receive under section 212 covers virtually the entire agricultural economy of the Nation. Before any Member reaches the conclusion that the free-trade planners in the State Department have neglected our minerals or fishing industries, I hasten on to section 202 of the bill. This provision would permit the executive department to eliminate all duties which amount to 5 percent ad valorem or less.

Before I describe the many categories of products which would be affected by section 202, a word or two about its origin is in order. Whereas the administration attempted to justify sections 211 and 212 of the bill as being necessary for negotiations with the Common Market, the only justification offered for the power to eliminate all duties which are 5 percent or less was the statement that these rates "have little or no economic significance" so that they could be eliminated "as a matter of convenience of administration." This appears in the administration's explanation of H.R. 9900 printed at page 32 of the committee's hearings.

Of course, this is an absurd proposition and the committee as a whole were not taken in by it. The majority report states that it is not the committee's intention in recommending the grant of authority to eliminate duties in this category to minimize the significance of rates of duty at this level. You will find that at page 16 of the committee's report. The thing which mystifies me is, since the committee rejected the reason offered by the administration for asking for this power, why did the committee nevertheless include this provision in the bill which it reported? I hope that we are still living in times when we have a reason for the actions we take.

Now what is the reason for permitting the administration to eliminate duties 5 percent or less? The answer is that there is no reason. The administration wants total power for the elimination of duties. The presence of a provision like section 202 completes the arsenal of duty-eliminating weapons desired by the administration.

The reason offered by the administration in justification was patently ridiculous. Therefore, the committee grants the power for no reason at all, an even more absurd position.

At the request of members of the minority, administration spokesmen submitted to the committee an identification of imported articles which would be subject to elimination of duties under section 202. This list appears at pages 312 to 327 of the printed hearings. Because of the great many categories of imported articles concerned, it would not be practicable to discuss each one of them in this debate. I offer, therefore, the following summary of the categories of items which would fall within this grant of power: lumber of all types, rough or sawed; fish and products, fresh or frozen, filleted, and prepared or preserved in any manner; fruits; meat and poultry products; minerals and ores, such as feldspar, clays and earths, mica, lead, zinc, residual oil, amorphous graphite, aluminum hydroxide, gypsum, sandstone, limestone, crude silica, cement, and calcined bauxite; metals, such as babbit metal and solder, sponge iron, cast iron castings, pig iron, iron and steel rails, antimony, nuts and washers, nickel in pigs, structural steel, nails and spikes, iron and steel sheets and shapes, lead alloys, zinc sheets, wire rods, bar iron, chains, bolts, and malleable iron plates.

Thus, the comprehensive plan of the State Department free-trade strategists is clear. The great large categories of industrial, mineral, agricultural, and fishery production in this country are subject to elimination of duties at the outset in negotiations with the Common Market under the power granted in sections 202, 211, and 212. Then, any item of domestic production which is left with protection after the use of that authority is subject to a reduction in duty of 50 percent.

The fourth grant of power in this bill to eliminate duties entirely, which I have not yet referred to, applies to something called tropical agricultural and

forestry commodities. This is section 213 of the bill. By this section it is hoped that the United States can benefit the less developed countries of the world by persuading the Common Market to grant duty-free treatment on the commodities of those countries in exchange for our commitment to do likewise. There is considerable discrimination in Europe against coffee, cocoa, and other commodities produced in Latin America. Anything we can do to open up European markets for those Latin American products so that they can compete on fair and equal terms with the nations of Africa, formerly colonies of the European countries, is all to the good. There is, therefore, no quarrel with the purpose of section 213. It does not follow, however, as the section assumes, that because more than half the world production of a commodity occurs in the tropical latitudes, it is not competitive with the production of similar commodities in the temperate latitudes.

When you get down to the problem of comparing the commercial uses and competitive relationships of particular species of fiber, lumber, tree nuts, and vegetable oils produced in tropical climes with other species of such commodities produced in temperate climes, it becomes a difficult matter to determine what the effect will be upon our domestic agricultural, forestry, and oilseed industries.

Mr. Chairman, thus far I have been attempting to describe to the Members of this body the variety and extensiveness of powers contained in this bill for the elimination of duties entirely. It needs to be said that the general authority contained in the bill to reduce all duties by 50 percent is greatly in excess of the power entrusted to the Eisenhower administration in 1955 to reduce duties by 15 percent, or in 1958 to reduce duties by 20 percent.

Mr. Chairman, I consider this whole matter of the combination of grants of power to eliminate duties as one basic problem in the bill. I now wish to call the attention of the Members to the second basic problem of this bill; namely, the absence of effective safeguards.

As repeated extensions of the Trade Agreements Act and the use of the authority thereunder subjected our duties to deep and frequent cuts, there soon arose a widely recognized necessity for safeguards to insure that the power being given to the President would not be used so as to cause, even though inadverently, a loss of domestic employment or serious injury to domestic industries, agriculture, and mining. A few words of history might be appropriate. It was the late and great Senator Vandenberg who persuaded President Truman that as a bipartisan matter the application of definite safeguards to the use of trade agreements authority should be insured by a specific procedure. This led President Truman to establish by Executive order the escape clause procedure geared to the concept of avoiding serious injury to domestic industries.

In 1951, the Congress, wishing to make assurance doubly sure, enacted into law the peril point and escape clause provisions of the Trade Agreements Act. This was joined to a firm statement of policy set forth in section 6 of the 1951 Extension Act that no reduction in duty should be made which would cause or threaten serious injury to domestic industries or their employees.

As time went on we improved these remedies by amendments and added additional remedies such as the national security provision to insure that the expansion of exports assisted by tariff negotiations would not be secured at the expense of a weakening of any significant part of our domestic economy or a loss of employment for any group of workers caused by excessive import competition. This process has called for a very careful balancing of the various national interests concerned, both on the domestic industry and on the export-import side. Many of us are not happy with the caliber of administration which these remedies have received. Yet, on the whole these provisions of law are soundly conceived and there is hope that, given proper congressional attention, they can be brought to a state of greater effectiveness as time goes on.

At this juncture the importance of these remedies is underscored by the significance of the duties which remain after the extensive and repeated reductions of the past decade. However, as the Members know, the ad valorem equivalent of our duties has been reduced from approximately 50 percent at the time the trade agreements law was enacted, to 12 percent last year. The Dillon round will undoubtedly bring this level to 10 percent. A reduction from the level of 50 percent to the level of 10 percent is drastic by any test. Since the reductions have been carried out to a greater or lesser extent under a statute which calls for selectivity and the avoidance of serious injury, it necessarily follows that the duties which remain are those which could not be changed further without threatening the workers and industries concerned with injury. This is not merely a protectionist evaluation of the matter. The Research and Policy Committee of the Committee for Economic Development, a free-trade group, in a study released in April of this year stated:

> U.S. tariffs are now 70 percent lower than they were 30 years ago and, on the average, are among the lowest in the world. The rates that now remain after a generation of reciprocal reductions are the hard cases, the rates that have been difficult to reduce because they protect industries that are sensitive to import competition. ("A New Trade Policy for the United States," April 1962 p. 6.)

These facts, objectively considered, would seem to be enough to instill caution in the heart of the most hardened bureaucrat. Yet, we find this administration going far beyond any previous administration in the amount of duty-changing power requested and, at the same time, jettisoning the safeguards which have been found a necessary counterpart of more modest grants of authority.

One of the main reasons I voted against the committee's bill was because it dilutes, weakens, and emasculates the peril point and escape clause procedures at a time when, above all, effective safeguards are more urgently needed than ever before.

The administration bill, H.R. 9900, was impossible in its approach to remedies. It offered a form of procedure in which the Tariff Commission would participate. But it directed the Tariff Commission to speak only when it found that duty reductions or eliminations caused increases in imports which produced on a widespread basis in the industry a significant idling of plants, persistent and prolonged inability of firms to operate at a profit, and unemployment. The administration bill expunged from the trade agreements vocabulary the words "serious injury." In short, it provided for an inquiry by the Tariff Commission under ground rules which determined in advance that the Commission's voice would seldom, if ever, be raised in protest against changes in duty.

The administration's approach was so extreme that even the majority of the committee felt that some changes in language had to be made. Unfortunately, the committee changes fall very short of the present peril point and escape clause remedies.

In the peril point procedure of the present law, The Tariff Commission is required to determine the extent to which duties can be reduced without causing or threatening serious injury to domestic industries and workers. In the past the peril point findings of the Commission have served to prevent the President's agents from cutting the duties which would cause economic hardship. In this bill, the serious injury test is eliminated entirely from the prenegotiation procedure. The Commission is simply directed to advise the President of the economic effect of eliminations or reductions in duty. The committee's report tells the Commission that it should concern itself primarily with reporting to the President whether changes in duty would lead to idling of plants, inability to operate at a profit, and unemployment. I feel, and my colleagues of the committee who joined with me in voting against this bill feel that the line ought to be drawn against reductions in duty long before these conditions of disaster would occur.

To the committee's credit, it must be said that they restored the words "serious injury" to that part of the bill which substitutes for the escape clause. This is section 301(b). But the committee has given these words "serious injury" a new meaning by repealing those provisions of the present law which spell out the factors that will be considered by the Commission in determining serious injury.

The whole approach of the remedy is changed, also, by the committee's action in discarding the definition of domestic industry now contained in the law. Instead of having the Commission determine the effect of excessive imports of a product on those portions of the operations of the firms in the domestic industry producing the like product, the committee's bill would require the Commission in the future to weigh the effect

of the increased imports against the entire operations of the domestic industry in which the production of the offending articles is a part. These changes are joined by the specific language used in section 301(b)(2) directing the Commission's attention to the idling of productive facilities, inability to operate at a profit, and unemployment, as the benchmark for its action.

These new procedures which would take the place of the peril point and escape clause are purely and simply window dressing. They will not lead to any helpful findings of actual or threatened serious injury from increased imports. The administration has made it clear that it wishes to be free of the restraint previously imposed by the Tariff Commission's peril point findings. This desire will be served by the committee's bill, but the needs of our economy and the cardinal principle of selective negotiations so as to avoid injury, which has characterized our trade agreements program in the past, will be done a disservice by the bill. Make no mistake about it: we are breaking with that tradition.

These remedies will not lead to findings of injury after the fact so that unwise reductions can be corrected. Not only has the committee mangled and distorted the escape clause concepts in the language of the bill and the language of its report, it has gone further and required that any economic distress and displacement of workers which might, peradventure, be found by the Commission must be due solely to the trade agreement concession granted.

The present law and the practice of the Tariff Commission is to make a finding of injury when, as a result of a concession, in whole or part, imports have increased so as to injure workers or industries. In its report on the 1958 extension, the committee specifically approved this practice of the Commission of treating any damaging increase in imports which occurs after a concession is granted as being due, in part at least, to the concession. Having done this so clearly in its 1958 report, the committee now, by repealing the language that allows a finding to be made when due in part to the concession and requiring in the future that injurious imports be found to be due solely to a concession, has destroyed the possibility of escape clause action in the future.

Since the Commission has found in its experience that it is impossible to isolate all of the economc circumstances involved in an import case so as to find that the bad consequences are due solely to a concession, this action of the committee plainly says that it does not intend for the Commission to be able to recommend escape action in the future.

Mr. Chairman, in summary on this point I wish to emphasize to my colleagues that the second major problem in this bill is the practical elimination of effective safeguards by the administration and the Ways and Means Committee on reporting the bill. Let the Members realize that if this bill is enacted, we are placing unprecedented power in the hands of the President while freeing him of any limitation designed to protect our domestic employment and industries from damage by imports. The state of our economy and the level of our unemployment is such that I, for one, have no confidence at all that a scheme of power such as represented by the bill before this House can lead to any benefits to the United States which will outweigh the widespread distress which is certain to occur to our domestic industries and their employees.

The third major problem in this bill is the most favored nation provision. This means that the requirement that the full benefit of the eliminations and reductions in duty granted to the Common Market under the special authorities contained in this bill be granted freely to Japan, India, and the other low-wage nations of the world without any action or concessions on their part in payment.

The difficulty here is that Japan, India, and, indeed, virtually all other nations of the world consider themselves to be perfectly free to restrict the application of the most-favored-nation principle by the use of quotas, exchange controls, import licensing, internal tax, and regulations which make tariff changes meaningless. Other nations of the world feel free whenever their internal situation warrants, to raise duties and otherwise act contrary to the commitments previously made in trade agreements.

In June, 1961, Japan took such action. This week Canada applied increased tariff duties on more than half of the articles imported into that nation. The United States alone insists upon unrestricted most-favored-nation treatment under circumstances which make a mockery of trade negotiations.

Our trade negotiators act as though the reductions made today affect only the patterns of trade which exist today. They fail to realize that tariff changes are for the future as well as the present. Looking to the future we can be certain that the rate of growth of the Japanese economy, which is three times ours, and of the European economy, which is twice ours, will increasingly subject our domestic market to invasion and disruption in manufactured, agricultural, and mineral products of every kind and description. It is immaterial that these articles are not imported from a particular country today. It is only a question of time until they will be reaching our shores from every industrialized nation and every emerging nation turning to industry as a natural means of improving their standard of living.

The vice of H.R. 11970 is that it rejects any and all regulations of imports. It throws the U.S. market open to unlimited importation of goods from every nation of every kind and description, without the possibility for adjustment in the future.

Our experience with the Common Market in the case of the carpet and glass tariff changes should warn us as to the consequences in the future, should we belatedly attempt a reasonable regulation of our imports following the use of the duty elimination and reduction authority in this bill. In less than two dozen instances in more than a dozen years the United States has adjusted duties in the face of tens of thousands of reductions of duties. Two of these, carpets and glass, affected one country, Belgium. Yet all of the nations of the Common Market retaliated against that adjustment in duty, affecting only Belgium, by an increase in duties on a group of U.S. products when imported into any of the Common Market countries.

We have learned that it is inordinately difficult to secure an adjustment of duties. Yet we propose under this bill to accelerate the total destruction of our tariff structure and to make available our market without exception to all nations when we know with certainty that economic distress will be caused to sections of our economy and that mistakes once made are virtually impossible of correction.

The fourth basic problem with this bill, Mr. Chairman, is the policy made clear by the adjustment provisions of causing serious injury on a widespread basis to the American economy. Unless this were the case, there would be no justification for such an elaborate system of payments to workers and subsidies to industries as are called for in title III of this bill. The shift from the policy adhered to up until this day of using trade agreement authority selectively so as to avoid injury to the new policy of using trade agreement authority indiscriminately so as to cause injury, is, indeed, dramatic.

We have been offered no rational explanation for the necessity of such a shift. We are greeted over and over again with the statement that the authority in the bill is necessary to enable the United States to protect its markets in Europe. Yet, it has not been demonstrated why selective negotiations accompanied by safeguards will not accomplish this purpose.

Common Market tariffs have been reduced internally by 40 percent and yet the exports from the United States to the Common Market continue to increase, as reported by the Department of Commerce. We lead the rest of the world in the expansion of our exports to the Common Market after the external discrimination against U.S. exports has been placed into effect within the market. The fact of the matter is that as the prosperity of the residents of Western Europe increases and her standard of living raises, the products of the United States will always be in demand because of their unavailability in Europe, because we can deliver them under shorter leadtimes, because our products are superior, or because the demand in Europe is increasing at a pace which exceeds the capacity of her own industries to supply.

Let the Members of this body be aware that if they approve this bill, they are turning their backs without cause on the traditions which they themselves have established in earlier trade agreements legislation. Let them understand that

they are approving a basic change in our policy from one of expanding exports while protecting the strength of the domestic economy, to one of experimenting with export increases at the expense of intended injury to our domestic economy.

Let them, finally, be aware that they are subscribing to the notion that it surpasses the capacity of American ingenuity and intelligence to conduct a trade program which will benefit our entire economy; that this administration has given up before tackling the job on the possibility of carrying forward our trade agreements tradition; that this administration announces in advance that it does not believe that the successes of prior administrations can be repeated; namely of negotiating to benefit our foreign trade while, at the same time, preserving the strength of our domestic economy.

These are the choices, Mr. Chairman. They have led me and my colleagues who voted against the bill in committee to decide that this bill is not in the best interests of the United States. We are confident that other Members of this body who think calmly and fairly about the issues in this bill will join us in our position and support a motion to recommit this bill with instructions to the committee to report an extension of the present law.

(Mr. BETTS asked and was given permission to revise and extend his remarks.)

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. GOODELL].

Mr. GOODELL. Mr. Chairman, this is a painful and distressing moment for me. I am in favor, basically, of the President's trade bill, expanding our trade, accommodating to the Common Market, and the other arguments that have gone with it. I hope those of you who have not read the letter which I sent to each Member this morning will do so. I put extra copies on each of the desks here.

Basically, the training section, the trade readjustment assistance section for workers in this bill I am afraid, after analyzing it carefully, is going to create a mess. It is going to create a pretty horrible mess.

As all of you know, I had some part in the manpower training bill. What we are doing here in this trade bill is setting up a new class of privileged unemployed workers. We are telling a man without a job that he is less unemployed than another man who is out of a job. We are giving this man, who is affected by imports, increased benefits, and we are making it easier for him to qualify for those benefits.

Let us take as an example, the State of West Virginia. The manpower bill, as you know, requires that a man to qualify must be the head of a family. There is no such requirement in the trade bill. It requires that he has worked 3 years in the work force, that he has had this work experience, and that he be at least 22 years old. There are no such requirements in the trade bill. There is a requirement as to length of time in the work force, but it is of a lesser degree in the trade bill.

The man in West Virginia who used to make $1.00 per week and qualifies for training under all the restrictions that we put in the manpower bill can receive at most $32 a week in benefits, the maximum unemployment compensation benefit. Under the trade bill, if a man was employed in an industry that is adversely affected, and it goes through the agencies, and he is determined to get aid and qualifies for aid, if he makes $100 a week he can get $63.18. His neighbor beside him made $100 a week in his previous job, and he gets $32 a week under the Manpower Act. In addition, the man affected by the trade bill does not have to take training in order to qualify for this aid. He gets it automatically.

Mr. BENNETT of Michigan. Mr. Chairman, will the gentleman yield?

Mr. GOODELL. I yield to the gentleman from Michigan.

Mr. BENNETT of Michigan. The best way to get rid of the evil the gentleman is talking about is to vote against the bill, because this is a bill that is bad.

Mr. GOODELL. I am reluctant to accept that solution, I think my colleagues should know what is involved here in terms of conflicts and contradictions as between the training and the assistance we are giving to people affected by trade and those who are unemployed for other reasons in this country.

Under the trade bill a man is defined as being unemployed if he makes less than 75 percent of what he made previously, his average weekly wage. This means a man who made $100 a week can work part time and earn up to $75 a week and still qualify for assistance under this bill. This is just not fair, it is wrong, it is an injustice to the great bulk of our unemployed who will not qualify for this kind of benefit. It is going to throw our manpower bill into a chaotic situation. It is going to put pressure on us, if not this year in future years, to raise all of these benefits in the manpower bill to the same level and to cut out the restrictions against abuse that we so carefully wrote into the Manpower Act.

There is another item in this bill. When the manpower bill was first sent up, it was proposed that the Federal Government pay 50 percent of the cost of relocating workers. The distressed areas rose up in arms and said, "You are going to make ghost towns out of our communities. You are shipping all the workers away."

There was such a hue and cry that they dropped this provision. In the trade bill there is not the 50 percent contribution made by the Federal Government but a 100 percent payment by the Federal Government to move these people, plus a lump sum of two and a half times his average weekly wage.

I have asked a question of the authorities downtown and they tell me this is what they contemplate: They are going to make retroactive payments to the unemployed. What is normally going to happen is that a man when he loses his job, is going to start through this procedure for a decision as to whether his unemployment is due to trade and imports, and 3 months later they may have a final decision, "Yes, it was due to foreign competition."

Now, for this 3-month period he may have been collecting unemployment insurance at the rate of $30 a week. If he is eligible under the Trade Act, $62 or $63 a week, they are going to pay him the difference retroactively in this bill for 2 or 3 or 4 months that he has been going on unemployment insurance. This is another thing that is not true in the manpower bill. There is no way to do this in the manpower retraining bill.

Now, we also wrote some very careful provisions in the manpower bill for matching, to require State responsibility to get into this picture after 2 years. There is no matching of any benefits in this trade bill for these workers, none whatsoever. These are going to be paid by the Federal Government exclusively. In addition, the Federal Government, presumably, is going to reimburse your State unemployment compensation fund. At the very last moment when the manpower bill was in conference, we almost foundered on this issue; that when the Federal Government pays the State unemployment fund back, there was no requirement in the manpower bill at that stage to insist that the employers, who had been taxed for this increased tax for these unemployed workers, would be credited. They themselves would be credited. Again, in the trade bill this has been ignored completely; no provision for crediting those employers who have paid the taxes to pay the benefits of unemployment insurance. It will go back into the State fund but not necessarily to the employers.

Now, there is another factor. You can talk theoretically about how this adjustment assistance for workers will proceed, but it is not going to be a black and white situation. You and I have plants in our areas. The Government is going to send investigators in there to determine whether that plant, a glass plant in my particular area, for example, has been affected adversely by foreign imports. Now, they are going to come in there and find that this given plant perhaps has poor management; that they have not been doing too well for this reason; that they are too far from their source of supply or that they are too far removed from their markets or that they have competition domestically, which is causing them a great deal of trouble. They are going to have all these factors combined; not a single factor of foreign competition. And, when they get through evaluating it they will perhaps say to this industry, "We think, judging all these things proportionately, you do qualify for aid."

Now, when I talked to the people who apparently are going to administer this, I said, "How long are you going to qualify these people for aid?" They said, "Normally 2 years, subject to review at the instance of the President." All right. So, in a glass plant in Jamestown, N.Y., for instance, we qualify for assistance for 2 years. Every worker, therefore, who loses his job from that plant there-

after gets that extra big fat benefit, while the rest of the workers laid off in the other plants do not get this benefit. It goes on for 2 years unless the President—as busy as he is and with the administrative machinery set up here—there is nobody, apparently, in charge of reviewing these things—unless the President decides to have a review of that determination. So, as a practical matter, what we are coming to is that this section is unworkable; that it is going to do more harm than good; that it is merely trying to pass out some extra privileges to a very small segment of our workers in this country in hopes that they can get the votes to pass the bill.

Mr. Chairman, I would support this bill if we could adjust it properly. I do not want to vote for the creation of second-class citizens among our unemployed—and that is just what this trade bill does. I shall vote for recommittal in hopes the Senate will clean the messy features out of this legislation.

(Mr. MACGREGOR asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. MACGREGOR. Mr. Chairman, many of us strongly favor the principle of reciprocal tariff reduction. We believe strongly that when each country of the free world can channel the efforts of its workers, the know-how of management, and its capital investment into the production of those goods and products which it can produce most efficiently, the standard of living of all free peoples is bound to rise. Many of us do not quarrel seriously with titles 1 and 2 of the Trade Expansion Act of 1962; it is these portions of the act which represent the best work of the Committee on Ways and Means.

Title 3, and specifically chapters 2 and 3 under that title, give us cause for serious concern. In the words of two of the majority members of the Committee on Ways and Means, these chapters add nothing to the Trade Expansion Act, are unnecessary, and create unjustified expense and discriminations. To be more specific, the provisions relating to the weekly amount of trade readjustment allowances would serve to create two classes of unemployed. If this bill, as presently drawn, were to be enacted into law, we would be making second class citizens of all of our unemployed workers who could not directly prove that their joblessness resulted from foreign imports.

Late yesterday afternoon, the debate established the unwise inequities to result from this bill in two specific situations. Let us take the case of a company with 100 workers engaged in making products sensitive to foreign import competition; the company also does some defense business under contract with Uncle Sam. The company becomes damaged by an influx of foreign goods due to lower tariffs, finds it cannot compete, and lays off 10 men. The following week it is notified by Washington that part of its defense business is being allocated elsewhere. This results in the layoff of another 10 men. Does it make any sense that the second 10 unemployed are to be treated less favorably than the first 10? We are here asked to believe that this discrimination is perfectly proper, because the layoff of the first 10 men results from the exercise of the sovereign power of government while the second 10 have suffered from the exercise of the contract power of government. Do you suppose this legalistic distinction without a difference will prove satisfactory to the second 10 men who see the first 10 unemployed receiving benefits half again as great as theirs?

Take the case of two similar small businesses, each engaged in the manufacture of a product sensitive to foreign competition. Tariffs are lowered and each company begins to feel the pinch. Company A is blessed with progressive management, whereas company B adopts an attitude of "let the Government take care of us." Company A, through the exercise of initiative, enterprise, and hustle, manages to raise the necessary capital to conduct a thorough retooling of its plant so as to produce a new product which it hopes will be competitive. It must lay off its employees at the start of this retooling process.

Company B does nothing to help itself or its workers. It waits until the foreign imports boom is lowered and it must lay off its people. Under title 3 of the Trade Expansion Act as it now stands, the employees of company B would be treated much more favorable during their unemployment period than would the employees of company A. By giving a better break to the employees of lackadaisical company B than we give to the employees of progressive company A, we would be clearly legislating to discourage a company from using its own initiative to solve its own problems for itself and its workers. Do we really want to discourage private enterprise and to create added incentive for more dependency on Government?

Under title 3 as presently drawn, those who lose their jobs by reason of foreign imports will receive substantially higher weekly benefits in the form of trade adjustment allowances than the unemployment compensation paid to those jobless by reason of automation, natural resource depletion, or other domestic causes. In some States, the privileged unemployed would receive almost twice as much as the unprivileged. This bill would pay the privileged unemployed the full cost of moving to a new area, while the unprivileged unemployed would get nothing. The privileged unemployed could receive training benefits for a period of up to a year and a half, while the unprivileged domestic jobless are limited to a maximum of 1 year under the Manpower Retraining Act.

Mr. Chairman, it is my understanding that the Committee on Ways and Means was divided 13 to 12 on the issue of whether those unemployed by reason of imports should be treated more favorably than the vast number unemployed for all other reasons. I think it highly unfortunate that we are today operating under a Rules Committee action which prevents the entire membership of the House from working its will on this aspect of the Trade Expansion Act. However, the Committee on Ways and Means can still give to all of us in this body the opportunity to eliminate this proposed discrimination between classes of unemployed by offering a committee amendment to chapter 3 of title 3. It was widely reported in the press yesterday that such a move was being contemplated. I earnestly request the chairman and the members of the Committee on Ways and Means to give each of us the opportunity to improve the Trade Expansion Act by voting for equal treatment to every American so unfortunate as to be out of a job.

(Mr. RIEHLMAN asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. RIEHLMAN. Mr. Chairman, I am disappointed in the state of affairs existing here today. I have been a consistent supporter of reciprocal trade legislation in the past because I have always felt expanded trade to be vital to our national strength. I feel that my position has been valid through the years and that it is still valid, and I had hoped that I would be able to support a trade bill here today in which I had complete confidence. I regret that I am unable to express such confidence in the measure before us. There are several questionable features in this bill. The gentleman from New York [Mr. GOODELL] has just put his finger on a major provision which truly worries me. I am concerned about the adjustment assistance provision because of its inconsistency with the manpower retraining bill which the House passed earlier in the year and because of the adverse effect it would have on the unemployment compensation laws in the various States. I am also concerned that this provision will give our tariff negotiators a virtual license to reach agreements which will bring substantial injury to, if not elimination of, some of our industries.

I realize, as I am sure most of us do, that it is important for us to find a place in the great markets of the European Economic Community and I think our trade laws must be liberalized with this in mind. But I think it is unfortunate that the bill before us today has been so widely represented as the only vehicle for attainment of this trade affiliation with the Common Market. I do not feel that this is necessarily so and I think we would be wise to extend the present reciprocal trade program for another year to more thoroughly explore some of the controversial aspects of the approach embodied in this bill.

We do not know what will happen to the makeup of the EEC in the next year, nor do we know what will happen to its attitudes. We cannot state with any degree of certainty what our own economic situation will be in the coming year. As I have mentioned, I think we need to give more consideration to the adjustment assistance provisions. For these and other reasons I intend to vote to recommit the bill with the instruction that the present reciprocal trade program be extended for 1 year. Although I think the President needs more bargaining power than he has under the existing program, I would prefer to move ahead with caution.

If the recommittal motion fails, however, I will vote for the bill on final passage. I regret the bad features of this bill and will work in the future to have them eliminated, but I feel that, in the absence of any other alternative, the need to place the United States in a stronger bargaining position on world trade outweighs these other considerations. I consider it in the national interest to undertake this trade program rather than none at all.

If this bill is enacted, I consider it imperative that the President undertake immediately to give American industry a chance to be more competitive on the world market. By this I mean a reduction in the heavy burden of Federal spending, a reduction in the corporate income tax, and an overhaul of the tax structure to give industry greater incentives for the modernization of plant and equipment. We cannot undertake this trade program in good faith without giving American industry this consideration.

Mr. FRELINGHUYSEN. Mr. Chairman, I would like to commend the statement just made by the gentleman from New York [Mr. GOODELL]. His views deserve the most serious consideration. I truly regret that he did not have a more adequate opportunity to explain his well-provided reservations regarding the adjustment assistance provisions of this bill.

At the outset, Mr. Chairman, I should like to make it plain that I personally believe that the President must be given adequate tools, and reasonable freedom, to negotiate trade agreements with these nations. Having said this, I must add that I deeply regret that the House is being given so little freedom in developing sound legislation in this area.

As the gentleman from New York has just stated, the House Education and Labor Committee has considered in some depth this problem of what might be called adjustment assistance for those who are unemployed. This discussion occurred as a result of specific recommendations made by the President. As a result we developed the provisions of the Manpower Development and Training Act. I personally can see no reason why the guidelines laid down in that legislation, so recently signed by the President, should have been ignored during the consideration of what now appears as title III of this bill.

Unjustified differences in benefits to be provided to our unemployed, especially when these differences are major in character, cannot help but have undesirable results. I am not saying that adjustment assistance may not be needed if unemployment occurs because of foreign competition. However, I fail to understand why this unemployment should be considered of a different kind, necessitating greater benefits than other forms of unemployment.

These differences could easily be adjusted, Mr. Chairman, if only the opportunity were to be presented. The Committee on Ways and Means is to be congratulated for the improvements which they made in the bill as it was originally introduced. I can only say that I regret that somewhat closer consideration was not given in that distinguished committee to the specific program of adjustment assistance proposed.

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield myself 30 seconds.

Mr. Chairman, I take this time for the purpose of suggesting that this House could very well pay great heed to the remarks that we have just heard made by the gentleman from New York [Mr. GOODELL], who is one of the authors of the Manpower Retraining Act. The gentleman from New York knows what he is talking about. He has made this comparison here, and he has pointed out the flagrant discrepancies being created by this bill in the fact that if this provision remains in the bill, we also place in jeopardy the Manpower Retraining Act, which this Congress passed earlier this year.

Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. LINDSAY].

Mr. LINDSAY. Mr. Chairman, in my view this bill, the Trade Expansion Act of 1962, is the most important legislation before the 87th Congress. Indeed, I believe that it is the most important bill that I have seen on the floor of the House since I have been a Member. This bill marks the place at the crossroads where we in this country must choose between an inadequate status quo, and a new challenge put to us by a moving, changing, and advancing world. In my view, we have no choice. We must put this bill through as the very least that we must do to build a stronger America both at home and abroad.

This is not a partisan matter. Republicans and Democrats alike support it. General Eisenhower would have recommended the same were he President today. I commend the distinguished chairman of the Ways and Means Committee [Mr. MILLS] on his handling of the bill. And I commend the distinguished gentleman from Tennessee [Mr. BAKER] and the gentleman from Missouri [Mr. CURTIS], as ranking minority members of the Ways and Means Committee for their vigorous and courageous support of the bill. They do this in the public interest and in the interest of the free Western community.

Mr. Chairman, this country has prided iself on its ability to compete. We have always considered ourselves the best producers and the best salesmen in the world. The Yankee trader is the best trader in the world. Why should we doubt our powers now? Why should we lose our confidence in our ability to compete?

We in this Chamber who represent 435 constituencies should realize that this bill is a consumer bill. It is a bill in the best interests of that all-important but too often neglected group—the consumers of America. The consumers of this country represent no special pressure group. They cut across the board. They are labor and management, white collar and blue collar alike. The consumers of America are probably the least organized people in America. But they still represent the vast majority of Americans. And this bill, Mr. Chairman, will be for the aid and relief of consumers.

I receive mail all the time, Mr. Chairman, from my people back home—asking, pleading what can be done to stop the spiral of the cost of living—the big big squeeze. Not an easy question. But one thing we can do is pass this bill. We should understand that one possible effect of this bill will be to force us to produce better and cheaper goods. And we must learn to do this or we will not survive in this changing world. We have no fixed position as the world's leading producer, seller, and exporter. Our position is always subject to challenge. And it is being challenged right now by the European Common Market. Europe is doing this, I would remind my colleagues, by and through the free enterprise system. We should welcome this challenge and be glad for it. And by the same token, Mr. Chairman, we must not allow our own people to go under because of circumstances that are beyond their control. That is why the bill has important safeguards and adjustment features.

Mr. Chairman, I have been one of the congressional delegates to the NATO Parliamentarians' Conference. I have spent some time in Europe and with Europeans, particularly with our parliamentarian counterparts. Recently, our chief point of discussion has been the desirability—the necessity—of creating a viable Atlantic Community based upon trade and economic ties. I have heard it said by some that Europe and the Common Market countries do not really want the United States to share in the new European prosperity. Now I question this statement. Europe is constantly under the gun of military aggression—it has been run over before and conceivably the attempt could be made again. And Europe knows that its strongest defense is an alliance based upon durable economic ties between the countries of the Atlantic Community. This, my friends, is a far stronger and more lasting alliance than any military alliance can possibly be. NATO is one of our most effective instruments. But it needs the underpinning of an alliance based upon economic, social, and cultural ties. Responsible leaders in Europe know this, and they know that concepts of economic isolationism do no one any good this day and age.

Finally, Mr. Chairman, I cannot accept the argument that this bill has insufficient safeguards for American industry and American workers. The bill, in my judgment, has ample safeguards. In fact, in some respects, these safeguards are more liberal than the safeguards contained in the present law. The Executive is not free to enter into any agreement with another country until the matter has in effect lain on the table for 6 months. The gentleman from Tennessee [Mr. BAKER] saw to it that ultimate and effective and responsible congressional control is retained in the Ways and Means Committee and in the Congress. In this he was joined by our distinguished colleague from Missouri [Mr. CURTIS].

Then there are the adjustment features—technical assistance, loans, and tax relief to firms and cash allowances and retraining for workers. These features are essential, Mr. Chairman. I do not agree with all of them. A couple of them I think are loosely drawn. But they will perform a necessary function. It is one thing to pass a liberal reciprocal trade bill. It is another thing to let it work. It seems clear to me that in the absence of alternative relief measures the Executive will not be able to withstand the pressures to grant tariff relief. These pressures will come from management and labor and from the Congress itself. Here then is an alternative, under which tariff relief can be avoided, but relief granted. This is not only fair, but absolutely necessary if the program is going to be permitted to work.

There is a safeguard, also, in the provision for a single trade negotiator, who will be subject to confirmation by the Senate. This pinpoints responsibility, which in the past has been scattered. Further, two Members of the House and two Members of the Senate will be accredited members of the U.S. trade agreement delegations.

Now, Mr. Chairman, allow me to review in greater detail some of the reasons that lead me to the conclusion that the motion to recommit this bill to the Ways and Means Committee should be defeated.

Congress has renewed its commitment to reduction of tariffs 11 times since 1934, the year of passage of the Reciprocal Trade Agreements Act. The temporary authority granted to the President in the most recent Trade Act, passed in 1958 nears termination. Today that authority is no longer capable of advancing American economic and political interests in a revolutionary world. I strongly support adoption of a broader tariff negotiating power as envisioned in H.R. 11970.

The Congress and the public should recognize that those who favor the status quo with regard to trade policy pursue an illusory goal. Conditions in the 20th century change overnight. Involvement with the status quo quickly becomes a commitment to the past. I urge those who look to the past in search for a viable national trade policy to redirect their view to effectively meet the challenges of the present and future.

Two developments within the last decade demand liberalization of our trade policy: the first is the increasing emphasis of the Soviet Union upon the economic front of the cold war; the second is the spectacular success of the Common Market.

Premier Khrushchev declared economic war on the West with this statement:

> We declare war upon the United States in the peaceful field of trade. The threat to the United States is not the intercontinental ballistic missile, but in the field of peaceful production.

This declaration has been implemented by a buildup of Soviet markets in underdeveloped countries at the expense of the Western nations. In 1953 the Soviet Union had signed trade pacts with only three underdeveloped countries. By 1961 the Communist bloc had signed 206 bilateral trade agreements with 32 countries. The fact that the Communist economy is subordinate to political aims allows expedient manipulation of economic forces. Such flexibility enables the bloc to buy surpluses of primary commodities from troubled countries in the unstable world market. This strategy has given the Soviet Union a foothold in permanent trade relations with Iceland, Egypt, Burma, and Ceylon.

The outcome of the cold war will be largely determined by the ultimate acceptance or rejection of communism by the underdeveloped nations of the world. This choice will be strongly influenced by the nature of the trade relations between the underdeveloped countries and the United States and Western Europe. Our national security demands that our trade policy provide for increased trading between the United States and the underdeveloped countries. Without such liberalization of policy, our ability to win the cold war is doubtful.

The second development which our national trade policy must reflect is the growth and success of the Common Market. Since the year of its organization in 1957, the Common Market has moved well ahead of schedule toward its dual purposes of elimination of internal tariffs and adjustment of external tariffs to a common level. From the standpoint of the United States, increasing integration with the Common Market is both politically and economically desirable. Increasing economic integration of free nations will have a significant effect on the world balance of power as Russia's repeated denunciations of the Common Market suggest. The economic stakes are equally high. When Europe's economic union is more fully realized, the Common Market and the United States will concentrate 90 percent of the free world's industrial output within their two markets. Unless the United States can place American industry inside the external tariff wall of the Common Market, 40 percent of American exports of manufactured goods to Europe will be lost, with smaller losses of exports of agricultural commodities and raw materials. American manufacturers cannot compete within the Common Market with the duty-free products of the member countries. When one considers that about 1 out of every 5 or 6 factory workers in the United States owes his job directly to producing for the world market, and that approximately half of our manufactured exports go to Europe, the loss of 40 percent of the European market for manufactures would be a staggering blow to our economy. A lowering of trade restrictions on goods moving between the United States and the Common Market is the only insurance against the loss of Europe as a market for American exports.

The national welfare, therefore, demands that our new trade policy include provisions which would open up trade between the United States and the underdeveloped countries of the world and would lower or eliminate restrictions on goods moving between America and Europe.

H.R. 11970 includes provisions which satisfy both demands. This bill gives the President authority, for a 5-year period—a necessary length—to reduce or eliminate tariffs on any item of which the United States and the Common Market produce 80 percent of the world supply, if the Common Market agreed to lower its tariffs on the item. Unlike existing law, H.R. 11970 would allow the President to negotiate by categories of items rather than on an item-by-item basis. This is a most important feature. It has the added advantage of spreading the risk among domestic producers. But more important, the bill provides the mechanism by which the United States and the Common Market can, through negotiation, substantially liberalize their trade relations. I am confident that these negotiations will be fruitful. They can result in an unprecedented growth of trade with proportionate benefits to the economies of the countries involved. The political benefits of such cooperation would be, as I have suggested, at least as significant as the economic benefits. Economic alliances are intrinsically stronger than military alliances.

For example, possibilities offered by trade policy in waging the cold war in underdeveloped countries are recognized in the authority given the President to reduce or eliminate duties on any tropical agricultural or forestry commodities which are not produced in significant quantities within the United States. A condition of this authority is comparable reductions or eliminations of duties by the Common Market without differential treatment of underdeveloped countries. These commodities are defined as tropical if their principal production occurs between the 20 degree latitude lines.

A glance at a world map reveals the critical area which lies between these two latitudes. Included are about 100 countries and islands in Latin America, African, and Asia which are the major world sources for tropical agricultural commodities and primary products. Liberal trade relations between these countries and the United States would be necessary even if one could ignore the Communist threat. Key agricultural exports from this zone include rubber, cotton, wool, timber, cocoa, sugar, coffee, and tea. Indispensable exports of raw materials or crude minerals include oil, tin, copper, lead, zinc, iron ore, manganese, nickel, aluminum, and diamonds. Economic need for these raw materials justifies a liberal commercial policy in our trade relations with the tropical countries. But we dare not forget that the Soviet bloc is steadily increasing its trade with many of the countries of this vital zone and that the pattern of our age underlines the connection between economic and political dependence. I cannot understand criticism of a liberal trade program between the United States and the underdeveloped countries of the tropical belt. Either Soviet activity or our need for their products warrants an opening of trade barriers. The two taken together

constitute an unassailable argument for leveling trade barriers.

Expansion of international trade and multilateral trading will benefit this country in the long run. I am amazed that after 28 years of Federal commitment to a liberal trade policy the economic advantages of this kind of policy are not universally recognized. Increased production abroad will cause an increase, not a reduction, of American exports abroad. Manufacturing countries provide a far greater market for exports of manufactures than nonindustrial countries. In 1955, although trade restrictions existed, exports of manufactures from industrial to other industrial areas amounted to about $53 per capita; to nonindustrial areas, about $11 per capita. Industrialization of underdeveloped countries will boom the U.S. export market. Data from countries in the early stages of industrialization indicates that imports of manufactures have increased faster than has production of manufactures. The point is that industrialization in newer countries represents an opportunity for expansion, not a threat, to the manufacturing industries of the older industrialized countries. This opportunity depends upon the existence of three essential economic conditions in the industrial country.

First. The economy of the country must be healthy and expanding.

Second. Liberal commercial policies must prevail so that underdeveloped countries can industrialize.

Third. Industry in the developed countries must be able to adjust in order to profit by the economic growth of underdeveloped countries.

The third point is indispensable to economic expansion. The industrialization of underdeveloped countries need threaten America only if her political and industrial leaders react defensively out of fear and hostility.

The adjustment assistance provisions of H.R. 11970 will allow American industry to accept the opportunity of expansion without some of the severe immediate problems of adjustment. Our liberal trade policy has been hampered in the past by peril-point and escape-clause provisions which have overly protected American industry from the need to adjustment in the face of import competition. H.R. 11970 includes a fair and reasonable escape-clause provision, but the attitude of the administration indicates that this will be used sparingly. Tariff increases will no longer be the only remedy for import injury. While the overall effect of this trade policy on the American economy will be good, adjustment will involve some immediate hardship. That this hardship should be alleviated is consistent with the objectives of freer trade. We cannot expect those injured by import competition, as a result of governmental action, to pay the full price for the benefits of trade expansion.

Adjustment assistance is offered in the form of technical assistance, loans, and tax relief to firms and cash allowances and retraining for workers. Firms and workers will not be sheltered from competition; they will be helped toward greater efficiency and productivity. We should not expect our State compensation systems to accept the burden of import unemployment caused by a national trade policy. We must accept a national responsibility for dealing with adjustment injuries. And we must be realistic about this bill.

The adjustment assistance program will necessarily contribute toward a more determined effort to open channels of trade. The program will increase our competitive ability by providing more security for our workers. It will lessen the pressures to invoke escape clause provisions which will result in higher tariffs. The individual who suffers because his legitimate interest has been overriden by his country should not be expected to adjust to these problems entirely on his own. The adjustment features, therefore, are not only desirable from the point of view of the overall objectives of the bill, they are fair and necessary.

The combination of a liberal trade policy and adjustment assistance offered in H.R. 11970 elicit my strong support. The direction of our present tariff policy, the growth of the Common Market, and our role as political and economic leaders of the free world all dictate that this bill must pass.

Mr. Chairman, in my judgment the United States is at the crossroads in this bill, and there is only one direction that it can go. It must not retreat into the past. It must stay with the times and look to the future.

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield such time as he may require to the gentleman from New Jersey [Mr. FRELINGHUYSEN].

Mr. FRELINGHUYSEN. Mr. Chairman, I should like to commend the gentleman from New York [Mr. GOODELL] for his statement and ask unanimous consent to extend my remarks at the conclusion of his statement.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield 3 minutes to the gentleman from Iowa [Mr. GROSS].

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Chairman, I thank the gentleman for the 3 minutes he has yielded me. It is what is left of the 10 minutes promised me when this debate started.

Mr. Chairman, I have never seen that rose garden at the White House they talk about so much, but I would like to see it today. I would like to see how much traffic went through the rose garden last night and this morning in connection with the pending bill. Yesterday I heard the gentleman from Louisiana [Mr. BOGGS] deliver a long speech in support of this free trade bill. Less than a year ago, Mr. BOGGS appeared before the Ways and Means Committee seeking protection against the importation of foreign shrimp. Last year he was a protectionist; today he is a free trader. It is hard to understand how individuals can shift positions with such ease, but I guess it can be done.

Last week we had a farm bill before the House and all Republican Members but one, as I remember the voting record, opposed the bill. One of the prime reasons why they voted against the Kennedy-Freeman farm bill was because of delegated and dictatorial power to the Secretary of Agriculture. I wonder what will happen this afternoon when we come to a vote on this bill. I wonder if the Republicans will give to the President of the United States, under this bill, the untrammeled and unconscionable power that it delegates to him. It is going to be interesting to watch how this vote goes, as compared with last week.

I would like to ask the gentleman from Arkansas [Mr. MILLS], a question. In 1959, there was imported 1,300 million pounds of beef which displaced 433 million bushels of corn that was in surplus that should have been used for feed. In 1960, there was imported live or the carcass equivalent of 1,504,000 head of beef, 1,341,000 head of hogs, and 1,105,000 head of sheep and lambs.

This means that we displaced in 1960 alone 30 million acres of production in this country. How will the farmers of America figure in the plush payoff set up in this bill for damaged industries?

Mr. MILLS. As the gentleman says, we imported about 4.8 percent in 1958 and 5.4 percent in 1961. At the same time our exports increased better than 40 percent.

Mr. GROSS. Let me interrupt the gentleman for a quick comment. The gentleman conjures up the old story that the imports of foreign agricultural products are only a small part of our production in this country. Let me quote a statement by Candidate Kennedy. In a speech in New York on October 12, 1960, Candidate Kennedy said this:

> Frequently imports may be only a relatively small percentage of our domestic market, 2 or 3 percent, but it breaks the price of the other 97 percent.

The gentleman does not quarrel with President Kennedy's statement in 1960, does he, as to the relative importance of a small amount of imports?

Mr. MILLS. What I am trying to point out to the gentleman is that this thing works two ways. We are exporting beef, hides, and things like that, as well as importing some beef and veal. For example, we exported in 1961 in the neighborhood of $90 million in hides. I might say to the gentleman the loss of our exports can really break prices.

Mr. GROSS. There is very little true barter and sale of the agricultural products that we send overseas, and the gentleman well knows that, too. He knows that a very substantial amount of our agricultural exports are given away as grants in aid or are paid for in currencies of the receiving nation with the agreement that the currency must remain in the country and be spent there with nothing returned to the U.S. Treasury. So-called loans are also made to foreign countries which will never be repaid but which are used to purchase agricultural and other commodities.

The claim that billions of dollars of our exports are on the basis of true barter and sale is as phony as a $3 bill.

Mr. Chairman, I regret there is not more time available to explode more of the myths of some of the arguments that have been advanced. Let me say in conclusion that you cannot put American industry, labor, and agriculture on a world price level and I warn those of you who vote for this bill that you will live to see the day when you regret your vote.

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield such time as he may desire to the gentleman from Wisconsin [Mr. LAIRD].

Mr. LAIRD. Mr. Chairman, this morning I received an analysis of the manpower sections of this bill from the gentleman from New York [Mr. GOODELL]. I listened to his remarks today and understand he is inserting his letter in today's RECORD. The amendments outlined by him are necessary.

I am constrained to oppose the trade bill as reported out by the Committee on Ways and Means—not because I do not believe that we and the other nations of the free world will benefit from a greater exchange of goods and services. I have serious doubts whether this bill will accomplish this purpose and I know the manpower and industry subsidies in this bill will do serious harm to our economy.

I also feel strongly that there is no need for haste in adopting this new trade legislation. We are putting the cart before the horse. We should first find out the direction which the Common Market will take. If that economic union does pose a problem for the United States, our action should be directed specifically to the solution of that problem. If the actions in Canada this past week pose a problem, our action should be directed to a solution for that problem. We are being asked to enact legislation to liberalize our tariffs while at the same time the Common Market, Canada, and other parts of the world show every indication of moving in the opposite direction.

The United States has given billions of dollars in foreign aid to the European Economic Community. American forces are their first line of defense. The European Economic Community shares equally with us the benefits of our superior nuclear striking capacity, maintained at a tremendous cost to the American taxpayer. This is no time for us to be calling on them with our hats in our hands.

Through widespread propaganda, the Kennedy administration has sought to create the impression that this trade bill must be enacted forthwith or the doors of the Common Market and world trade will be forever closed to American industry and agriculture. If that were correct, we should be prepared to take retaliatory measures. Factually this is not correct. It is ironic that after 15 years of granting economic assistance to Europe and the rest of the world, we are told that the American taxpayer, American industry, and American labor must be prepared to make further sacrifices, or our goods will no longer be welcome in Europe or in other parts of the free world.

Similarly, the administration propagandists would like to paint a very simple picture of the issue. Either you are for the trade bill, or you are a "protectionist"—and the term "protectionist" is used by the liberal press as the epitome of opprobrium. That is a gross falsification of the issue. I strongly favor reciprocal trade.

I am not prepared to grant to the Kennedy administration authority to decide that some American industry or the jobs of any group of workers are "expendable" because a Government bureaucrat in the State Department—not the Congress and not the American people—decides that it is in the "national interest" to sacrifice that industry, or the jobs of that group of workers in order to obtain some trade concessions—not for the United States—but for some other nation, such as Japan, the British Commonwealth, or the Latin Americas.

It might be all right to say that we should be prepared to make some sacrifice in the national interest, but who is to determine what is in the national interest? The Congress and the American people should be a party to that decision after having been apprised of all the facts. Instead, we have closed-door meetings abroad at which decisions are reached, which we do not even know about. After the fact, the Congress is no longer in a position to take remedial action.

I agree that the President should be granted authority to negotiate for reciprocal trade concessions. I am not even convinced that such authority should be restricted—as the committee bill does—by the limitation that tariffs cannot be reduced below 50 percent of the existing rate of duty. In some cases, it may be very dangerous to reduce tariffs to 50 percent of the existing rate. In other cases, it may be that tariffs could be completely eliminated without harmful effects to American industry and labor. I would support a broader grant of authority to the President, with the overriding limitation that duties would not be reduced to a point where an American industry or the jobs of a group of American workers would be jeopardized. If this does not leave us any leeway for further negotiations—as some administration spokesmen claim—then we should not have any trade bill.

In opposing the provisions for adjustment assistance, I am not opposed to the thought that we should help those industries and those workers who might be injured. I am opposed to the concept that we should deliberately bring about such injury as a part of our trade policy in order to obtain concessions—not necessarily for the benefit of other American industries or American workers—but possibly for the benefit of the industry and workers of Japan, the British Commonwealth, Latin America and any other free nation not a member of the Common Market. If that is the definition of "national interest"—which the administration intends to use as its guide in administering this law—I am opposed to the grant of authority.

I fully recognize that in any trade negotiations there may be errors of judgment. Irrespective of a policy to the contrary, our negotiators may inadvertently reduce tariffs below the danger point. I am not opposed to the granting of assistance to such firms or workers as are injured thereby. There are already provisions under existing laws to provide such assistance, including, the Manpower Development and Training Act, the Small Business Act, the Small Business Investment Act, the Area Redevelopment Act.

The Manpower Development and Training Act, which we just passed, was specifically intended in part for the retraining of workers displaced by foreign competition. If the act is inadequate, it should be amended.

The Small Business Administration is in being, ready and able to take care of the financial needs of any firms which may be injured by foreign competition—and believe me, any firm which could qualify under the committee bill would be more than likely to qualify under the definition of a small business. The test for qualification implicit in the committee bill would serve to rule out any large diversified company.

As evidence of the Federal activities in this area I refer you to the Federal budget for fiscal 1963. The activities of the Departments of Commerce, Health, Education, and Welfare, Labor, and several independent agencies, devoted to the assistance of firms and workers, are scheduled for appropriations totaling $1.7 billion. I would like permission to insert a schedule showing a breakdown of this amount at the conclusion of my remarks. Certainly, with such a varied scope of Federal authorizations, the problem of displaced workers and the financial need of firms inadvertently injured as a result of our trade negotiations will be provided for. The committee bill merely superimposes another additional program on a special basis, which largely duplicates existing activities of the Federal Government. There is no justifiable basis for treating the economic problems resulting from import competition any different than the other economic causes of chronic unemployment.

Mr. Chairman, I wish to insert at this point a table on "New Obligational Authority and Expenditures for Assistance to Workers and Industry."

New obligational authority and expenditures for assistance to workers and industry,[1] fiscal 1963 (estimates)

[Dollars in millions]

	Expenditures	New obligational authority
Department of Commerce: Area Redevelopment Administration	122	64
Department of Health, Education, and Welfare:		
Office of Education:		
Salaries and expenses	12	13
Promotion and further development of vocational education	34	35
Area vocational education (National Defense Education Act)	14	15
Promotion of vocational education, act of Feb. 23, 1917 (Smith-Hughes)	7	7
Total, Office of Education	67	70

Footnote at end of table.

New obligational authority and expenditures for assistance to workers and industry,[1] fiscal 1963 (estimates)—Continued

[Dollars in millions]

	Expenditures	New obligational authority
Dept. of Health, Education, and Welfare—Continued		
Office of Vocational Rehabilitation	107	112
Total, Department of Health, Education, and Welfare	174	182
Department of Labor:		
Office of the Secretary:		
Salaries and expenses	2	2
Area redevelopment activities	15	15
Manpower development and training	60	100
Youth employment opportunities	60	75
Total, Office of the Secretary	137	192
Office of Automation and Manpower (new)	855	900
Bureau of Veterans' Reemployment Rights	1	1
Bureau of Employment Security (employment service and unemployment compensation)	129	133
Total, Department of Labor	1,122	1,226
House and Home Finance Agency: Urban planning grants (Housing Act of 1961 and the Area Redevelopment Act)	10	20
Veterans' Administration: Veterans' readjustment (education and training)	84	84
Small Business Administration	222	306
Grand total	1,734	1,882

[1] From the 1963 budget, submitted Jan. 18, 1962.

Mr. Chairman I would like to insert in the RECORD at this point two letters from the Wisconsin State Industrial Commission opposing features of this bill, H.R. 11970:

INDUSTRIAL COMMISSION OF
THE STATE OF WISCONSIN,
June 18, 1962.

To Each Wisconsin Congressman:

You should be concerned, as a Representative from Wisconsin, as to how the pending Trade Expansion Act of 1962, will—or, rather, will not—apply in Wisconsin.

The attached industrial commission letter of April 4, as to the unemployment benefit features of H.R. 9900, applies equally to the currently pending version of the trade bill, H.R. 11970. We urge you to reread the attached letter.

Wisconsin will not be able to pay the proposed Federal "trade readjustment allowances" (for workers unemployed because of the act), in view of these direct conflicts with Wisconsin's State unemployment compensation law:

(a) The proposed Federal benefit formula would require a weekly Federal supplement, on top of any State unemployment compensation benefit check the worker might otherwise draw; and

(b) H.R. 11970, in section 331(c), specifies that each State agreement "shall provide that unemployment insurance otherwise payable to any adversely affected worker will not be denied or reduced for any week by reason of any right to allowances under this chapter."

Wisconsin cannot sign such an agreement. Our State law expressly forbids, on principle, any such double payment (under two laws) for the same week. Compare the attached letter.

Several dozen other State laws have roughly similar prohibitions. So the proposed Federal benefit program would apparently violate a majority of State laws, including Wisconsin's.

Should the Congress enact a weekly benefit formula—and an "agreement" clause—which are directly contrary to the relevant provisions of a majority of State laws?

We do not think so. And we believe you'd want us to call this pending issue to your immediate attention.

Sincerely,

PAUL A. RAUSHENBUSH,
Director.

INDUSTRIAL COMMISSION OF
THE STATE OF WISCONSIN,
April 4, 1962.

Hon. WILBUR D. MILLS,
Chairman, Committee on Ways and Means,
House Office Building,
Washington, D.C.:

The proposed trade readjustment allowances—for jobless workers—are really unemployment compensation benefits. They should, therefore, be considered and appraised as unemployment compensation benefits—in relation to the benefits now being paid (a) under state unemployment compensation laws, and (b) under various Federal unemployment compensation laws.

In effect, H.R. 9900 proposes a new—and rather complicated, and remarkably different—Federal unemployment compensation system, with more weekly dollars, and many more weeks, for a rather small group of workers. Why?

Those workers who could qualify for the proposed trade allowances would have substantial jobless benefit rights under their own State unemployment compensation laws—even if H.R. 9900 made no provision for special unemployment compensation benefits. Such workers could then draw the same amount and duration of State jobless benefits as will apply to their neighbors, when laid off (for any reason) with a like record of work and wages.

Why give preference to those laid off for a selected reason, by paying them higher and longer benefits? That would sharply discriminate against the great majority of jobless workers—laid off for other reasons, such as automation, or termination of defense contracts, or U.S. tax or credit policies, or interproduct competition, or intercompany competition, or even foreign competition. (There's no superior virtue in federally caused unemployment. Even trade expansion layoffs may be partly due to out-of-date methods, location, etc.)

State benefit levels can properly apply to federally caused layoffs. They now do—in clearer cases than H.R. 9900 may produce. State benefit levels apply to laid-off Federal employees, by Federal law. So too with recent ex-servicemen, by Federal law. The same principle should apply here.

Yet H.R. 9900 proposes a new higher Federal level of weekly jobless pay, for its chosen few—65 percent of the individual's gross average weekly wage, figured by Federal formula, up to a national maximum of 65 percent of the national average weekly wage of production workers in factories. That formula would require a weekly Federal supplement, on top of any State unemployment compensation benefit check the worker might otherwise draw.

Wisconsin's law expressly forbids any such double payment, or Federal (federalizing) supplement. So Wisconsin could not sign the administrative agreement intended by H.R. 9900. The State's unemployment compensation statute plainly specifies:

"108.04(12)(b) Similarly, any individual who receives, through the commission, any other type of unemployment benefit or allowance for a given week shall be ineligible for benefits paid or payable for that same week under this chapter.

"(c) Any individual who receives unemployment compensation for a given week under any Federal law through any Federal agency shall be ineligible for benefits paid or payable for that same week under this chapter."

As to the total number of weeks for which the proposed new Federal trade readjustment allowances might be paid, that total tops all previous figures. The Temporary Extended Unemployment Compensation Act of 1961 permits a combined (State and Federal) maximum total of 39 weeks. H.R. 9900 proposes 52 weeks; but even that isn't all. For those over 60, it's 65 weeks. For those in long retraining courses, the total could be 78 weeks—1½ years.

Any new Federal unemployment compensation system of that sort, even for a small group, would surely be used as a springboard for "federalizing" all State unemployment compensation laws—in the same general direction. Is that what Congress wants? Is it a better answer than could be developed along retraining lines?

MATHIAS F. SCHIMENZ,
Chairman.
R. G. KNUTSON,
Commissioner.
CARL E. LAURI,
Commissioner.

(Mr. LAIRD asked and was given permission to revise and extend his remarks.)

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield such time as he may desire to the gentleman from Washington [Mr. PELLY].

Mr. PELLY. Mr. Chairman, tariff policy and the extension of foreign trade assuredly is one of the most important issues of our time. I have always advocated policies to promote and encourage exchange of goods between nations. Even before President Kennedy made his recommendations to the Congress I was wrestling with this problem, trying to determine in my own mind what course the Nation should take in connection with the European Common Market.

Frankly, Mr. Chairman, when H.R. 9900 was introduced I was very unhappy with certain of its provisions. While I share the President's viewpoint as to objectives I had grave misgivings especially as to his request for additional powers and also as to his plan for establishing a program of allowing American labor standards to be undercut and industry to be injured under a system of compensatory government compensation.

Mr. Chairman, I was especially conscious of the problem of injury to industry in view of the Pacific Northwest lumber situation. There we have been suffering from Canadian lumber imports and have seen our soft wood lumber industry lose its markets to low cost foreign competition; so much so that American capital is investing in Canadian timber and United States mills are being dismantled and being sold for operation in Canada. The American lumber workers are increasingly unemployed and the outlook is indeed dismal.

My testimony on the lumber situation is in the record of the hearings and likewise I tried to give the Committee on Ways and Means something of the problem of our Pacific Northwest fishermen and fishing industry due to foreign competition.

Yet, Mr. Chairman, as I said at the start, I am a firm believer in exchange

of goods between nations and had hoped that any legislation reported to this House would improve on the present reciprocal trade program without removing protection against unemployment and bankruptcy of industries. The policy of the Republican Party which I have espoused calls for the expansion of free world trade to all nations but with the achievement of this objective being realized in the context of sound policies that will keep American products competitive.

In reporting out H.R. 11970, which the House is considering today, the Ways and Means Committee in several respects improved on the President's original proposal, although much of the deficiency of H.R. 9900 remains. H.R. 9900 was a complete surrender of the Congress to the Executive of its constitutional authority over trade matters without an opportunity for those adversely affected to be heard except at the discretion of the Executive. H.R. 11970 is somewhat more nearly in conformity with existing law and is improved in part in that it provided for retaliatory power to the Executive where other nations discriminate against U.S. imports.

However, as I said, H.R. 11970 includes so-called adjustment assistance to injured industries and employees; that to me could be an ill-advised adventure into Government boondoggling and handouts.

Also, Mr. Chairman, the bill as reported by the committee is almost a complete surrender of congressional authority and responsibility to the Chief Executive. Unfortunately the House will have no chance to offer amendments and the question is simply a matter of taking the bill as it is or not.

Mention has been made that there will be a recommittal motion which in effect would continue the present Reciprocal Trade Act for 1 year in place of accepting the provision of this bill.

The President in his press conference yesterday indicated that extending the expiring law for 1 year would defeat the purpose because we have exhausted power given under the present law and used up all its bargaining power which is needed in connection with the Common Market.

This argument, Mr. Chairman, it seems to me, is not in accordance with the facts. At the last meeting of GATT in Geneva, arrangements were made for certain tariff reductions which have not gone into effect. On July 1 of this year most U.S. duties will be reduced—20 percent in two yearly stages, 10 percent in each stage. So that under the proposal to extend the present law for 1 year there would continue to be tariff reductions.

The idea of taking a good look at the effect of these new tariff reductions plus studying new developments of the Common Market and other developments appeals to me. The Congress could act next year on the basis of these developments and more intelligently could determine what is best in the national interest.

Reference has been made earlier in this debate as to the fact that our neighbor to the north, Canada, has just increased tariffs, and this on top of her having devaluated her dollar to 92½ cents. Canada has increased her rate of interest and in view of the close connection of the respective economies of Canada and the United States it seems to me it would be prudent to delay action on our tariff act for this 1 year. Also, it seems advisable to wait and see what Great Britain does with regard to joining the Common Market and what she does with regard to her empire preference. Altogether I am persuaded that we should not be hasty.

Frankly, Mr. Chairman, I am greatly perplexed with regard to my own vote in the event that a 1-year extension of the Reciprocal Trade Act fails.

There is the matter of giving power to the Executive. The ever-growing concentration of power in the Chief Executive and the corresponding loss of power in the legislative branch worries me greatly. I have thought about this a great deal and recognize that at times it is necessary to delegate our authority but I would hope that the House could establish a rule under which no such delegation of power could be extended for a period of more than 2 years.

This bears on the power of the people. The people delegate authority to Members of the House as their Representatives for 2 years. If the people wish to revoke that power they can do so at the end of this period by replacing their Representatives with others of differing views. I would think that by the same token the Representatives properly should not delegate their authority to the President for any longer term than their own, namely 2 years. Thus, any new Members, with differing views, could revoke that authority after they had replaced the Members who had voted to delegate that authority.

So I say, Mr. Chairman, this provision to give the President 5-year authority bothers me and I only regret there is no opportunity given the House to amend the bill.

I repeat that I wholeheartedly support the objective of expanded worldwide trade and recognize that special circumstances exist with regard to the European Common Market. Nevertheless I am conscious of my responsibility to view the effect of any trade extension bill on the people I represent. I mentioned the lumber industry where it is apparent that adequate recognition has not been given to its problems in H.R. 11970, as presently written. I am informed by the National Lumber Manufacturers Association that their industry believes that a realistic system for handling their problems is not in this bill. It is the view of the lumber industry that an effective escape clause should be provided.

Other businesses in my district have written me that they oppose H.R. 11970 because it repeals existing safeguards from destructive import competition. Here again the present peril-point provision would be replaced under the new legislation so that it becomes virtually meaningless; the Tariff Commission's role would become almost a study group. Congressional action would only occur after an agreement had been made and injury sustained. As one constituent described it, Congress would hold an autopsy to the corpse rather than a diagnosis of a living body.

Title III of the new bill worries me greatly. Unemployed persons because of increased imports would receive 65 percent of gross weekly earnings and benefits would continue for 52 weeks. The difference between this and unemployment benefits worries me.

My perplexity comes with how the closure of a plant and the laying off of workers would be determined as far as imports are concerned. If imports affected a few workers in turn the effect might be far reaching and I think that the administration of title III would be very difficult.

One plant might be closed by imports and its competitor be shut down for some other reason. There would be great confusion as to retraining of employees of the two plants. Altogether I would hope more study could be made of title III and this in turn leads me to think it advisable to extend the present act for 1 year.

A policy of allocating Federal funds to phase out an industry as an alternative to tariff relief to maintain an industry injured by imports is certainly far reaching. For the first time in our history we would have a policy of considering jobs and employees as expendable. This is a new principle with many ramifications of utmost gravity and utmost danger to our economy.

I suggest we should move slowly.

I have in mind that Congress devoted more than 14 years to the development of so-called peril-point and escape-clause provisions to protect our high American wage standards. These admittedly are not perfect provisions but they would be virtually destroyed if H.R. 11970 is passed.

Mr. Chairman, after struggling with this issue with its many pros and cons I believe it best to withhold any radical change for 1 year. Therefore I shall support the motion to continue the Reciprocal Trade Act, and if that motion fails I see no alternative but for me to vote against passage of this bill. I cannot vote for Government doles and bureaucracy coupled with long term surrender of congressional authority and responsibility to the Chief Executive. It is very difficult and distressing in this instance not to be able to vote for a proposal to extend world trade. If the House could have had a chance to vote on a few amendments which have been discussed I think I would be voting otherwise. Indeed I do hope next year to be in support of a new program designed to meet changed world trade conditions as they develop. Until then I urge a 1-year delay.

(Mr. PELLY asked and was given permission to revise and extend his remarks.)

Mr. MILLS. Mr. Chairman, I yield 10 minutes to the gentleman from Florida [Mr. SIKES].

Mr. BYRNES of Wisconsin. Mr. Chairman, under previous agreement, I yield 5 minutes to the gentleman from Florida.

(Mr. SIKES asked and was given permission to revise and extend his remarks.)

Mr. SIKES. Mr. Chairman, I have the highest regard, the greatest admiration for the distinguished gentleman from Arkansas, the chairman of the great Committee on Ways and Means. He is brilliant, sincere, and persuasive. I have followed his leadership many times on many difficult bills. May I say, they are not getting any less difficult, and on this one I must part company with him.

At the present time the Congress cannot know what the facts are in regard to many matters which have been advanced as reasons why the trade bill should be enacted. The Congress cannot know what the effect on our exports will be by the erection of the Common Market's tariff wall. The Congress cannot know what new countries will become members of the Common Market. Particularly, we cannot know whether the United Kingdom will join the Common Market and, if so, what disposition the United Kingdom will make of Commonwealth preferences.

The Congress has no basis for believing that the elimination of duties or even a 50-percent reduction in duties, as proposed by the pending bill, would accomplish the administration's objective of doubling our export surplus while maintaining our imports at a constant level. In fact, the Congress can know from the import trends of recent years that our imports will increase at a faster rate than our exports. For it is true that the United States, with its low duties and high internal costs, is largely an open market now for the products of the rest of the world.

The Joint Economic Committee of Congress found U.S. industrial tariffs average 11 percent, among the lowest of the nations of the world. As reported in the June–July 1962 publication of the Chase Manhattan Bank, "Report on Western Europe," the U.S. competitive position, though strong, has weakened since the early postwar years. Our share of total world exports has been declining, and our share of manufactured exports has been declining faster.

The National Industrial Conference Board in 1960 asked 91 U.S. companies with operations in Western Europe to compare their European costs of operation with our domestic costs. The conference board found from this survey that operating costs in the Common Market and in Britain run below operating costs in the United States. Taking into account higher U.S. productivity, the conference board found that the labor component of production in the Common Market still costs little more than half as much as in the United States.

These facts are known to the administration. Under Secretary Fowler in his Atlanta speech stated that—

> It is well known that Western European producers have been modernizing more rapidly than have producers in the United States, and that their productivity has been increasing as a result. This allows them, through improved quality and lower unit costs, to be more competitive than ever in world markets.

As a result, U.S. exports of finished manufactures declined slightly from 1957 to 1961—from $11.8 to $11.7 billion, while U.S. imports increased by more than 40 percent—$3.5 to $5.1 billion.

Now here is a point to consider. Although the average rate of duty imposed by the United States on dutiable imports is low—12.2 percent in 1960—the total duties collected are an important component of our balance of payments. In 1960, we collected $1,078 billion in duties. With the increase in imports since that time, the total duty collections can be expected to be somewhat larger than the $1 billion figure reported for 1960.

The Treasury Department estimates that this year the deficit in our balance of payments will be about $1.5 billion. If we were to eliminate all duties and indulge in the assumption that the volume of imports would remain constant, the balance-of-payments deficit would be increased by 66⅔ percent. The duties that we are currently collecting, therefore, contribute importantly to reducing our balance-of-payments deficit. This fact was acknowledged rather forcefully by the Assistant Secretary of the Treasury, John M. Leddy, in testifying before the Senate Finance Committee on June 20 concerning the sugar bill. Assistant Secretary Leddy was advocating the imposition of an import fee on sugar. He stated that—

> The balance-of-payments savings of $130 to $160 million which could be realized through the import fee would be a significant benefit. It is essential that we adopt all practicable measures to solve our balance-of-payments problem and strengthen the international monetary system which is centered on the dollar. I, accordingly, urge that this committee accept the proposals of the administration for sugar legislation which would provide for the application of import fees.

Mr. Chairman, I am willing to take the administration's advice that we look to import fees as an important and significane measure to solve our balance-of-payments problem.

The Congress would be acting blindly and in direct contradiction of the facts if it were to accept the proposition advanced by proponents of this bill that giving the President the power to eliminate entirely our import duties or, in any event, to cut them by 50 percent, would contribute to a solution of our balance-of-payments problem.

We do have a balance-of-payments problem, as we have been reminded many times. Our neighbor Canada has just embarked upon a more simple solution of this problem than is proposed here. She is raising tariffs.

There are other important facts which the Congress cannot know at this time which are essential to our consideration of any tariff and trade bill. One of these is what effect the recent 20-percent reduction in our duties, agreed to at Geneva under the "Dillon round" of tariff agreement negotiations, will have on our exports, our imports, and our domestic industries and workers. According to a State Department announcement June 7, 1962, these reductions in duty take effect in two stages—the first stage on July 1, 1962, and the second stage 1 year later.

We are already experiencing an increase in imports at the rates of duty which existed before this 20-percent reduction. The 20-percent reduction can be expected to stimulate a further increase in imports. It is not known whether the concessions which we received in return for these reductions will benefit our exports. A great many of these concessions were in the form of agreements by other countries to keep their duties at the existing level. In other words, they did not reduce their duties; they simply said they would not increase them. Whether a concession of this kind will lead to an increase in our exports is doubtful.

The Congress also has no way of knowing whether the quotas, exchange restrictions, import licensing regulations, and internal taxes used by foreign countries to restrict exports from the United States, will be eased to any significant extent during the next 2 years. It may be that, as so often in the past, the tariff concessions promised to us by other countries will be effectively neutralized by nontariff actions taken or continued in effect by them.

Certainly, Mr. Chairman, it would make no sense for this body to approve further trade agreement negotiations by the President before it can be known to what extent, if any, this most recent set of trade agreement negotiations has benefited the commerce of the United States. If, as may be the case, the reductions in duty which we granted stimulate imports far more than any growth in exports which we realize, then our trade agreement actions will have served only to aggravate the balance-of-payments deficit which is so troublesome to this country at this time. Let us, therefore, defer any grant of new and enlarged trade agrement powers until we know exactly what the effect has been of use of existing authority. This is one more important fact which we must give time the opportunity to develop before we undertake such important legislation as the bill now pending before this body.

Mr. Chairman, thus far I have been developing the reasons why I believe the Members of this body should postpone action on H.R. 11970 until the basic facts are known concerning the Common Market, its membership, its impact on international trade, and the consequences to our economy of the 20-percent reduction in duties which takes effect during the 2-year period commencing July 1, 1962.

It may be that when these facts are known, we will decide that the administration should be given some or all of the power which he is asking for in H.R. 11970. I do not know. No one can know whether it would be wise for us to take such action until the record is made and we can study the facts. It was brought out a little while ago for the first time that there are sections of the bill which would give the President the right to eliminate entirely duties on manufac-

tured, agricultural, and fishery products. This takes in a great deal of territory. My study of these sections 211, 212, and 202 convinces me that very few important categories of industrial, agricultural, or fishery products would escape total elimination of duties under this bill. Supposedly these items were taken out of the bill—now we find them right back in it. I cannot see how that would serve any purpose other than the widespread dislocation of businesses, workers, communities, and property values throughout the United States to the detriment of our own security and that of the free world to whom our strength should be of paramount importance.

I am particularly concerned by the approach taken in this bill of eliminating by repeal the existing peril point and escape clause safeguards of the present law. I know there is considerable dissatisfaction with the poor administration of these remedies. It is no answer to bad administration to change the stronger language of the present law into the weaker language of the remedy provisions of this bill.

The keystone of the present peril point and escape clause is the policy laid down by the Congress in the 1951 Extension Act that the trade agreement authority entrusted to the President should not be used so as to cause or threaten serious injury to domestic industries and workers. The procedural portions of the peril point and escape clauses were simply designed to provide in an orderly way for a thorough investigation before and after the negotiation of trade agreements, to prevent the reduction of duties which would have that effect, or when mistakes were made, to correct such mistakes by a restoration of the duty which was unwisely reduced.

It is shocking to me that the Congress of the United States, after an 11-year effort to get the executive department faithfully and well to administer the peril point and escape clause with but limited success, is asked to decide now that Executive determination to frustrate those remedies should be rewarded by a weak substitute for these remedies.

Every country in the world with whom we have trade relations acts in the interest of safeguarding her home industries against injury from excessive imports. Under article 28 of GATT which permits nations at 3-year intervals to withdraw tariff concessions, under the escape clause of GATT, and at times without regard to the provisions of GATT, the other nations of the world have taken action to increase duties, impose quotas or licenses, or to follow other measures designed to protect their home industries and employment.

Yet we are all painfully aware of the uproar which greeted the action of President Kennedy in adjusting the duty on carpets and glass. To his credit, he stood fast in the face of this opposition. But to our regret, the Under Secretary of State, George Ball, found it necessary to speak in Bonn, Germany, in April of 1962 to reassure Europeans that the great reluctance on the part of the United States to act, which has resulted in only 17 tariff adjustments in the entire history of the escape clause, would, if the bill now before this House were enacted, in the future be settled by unemployment compensation benefits to workers and subsidies and other nontariff relief to industries. We are not happy about the record of inaction under the escape clause; we are distressed that a high official of this administration would take pride in that record, and distressed that he would promise that the hands of the President would not be lifted in the future in behalf of domestic industries should this legislation be passed.

Each of us here must consider the larger interests of the Nation as a whole, as well as the specific and immediate interests of our State and district. I have been supplied with an analysis of Bureau of the Census data which shows that industries which supply about 17 percent of the manufacturing employment in my State of Florida suffered a loss of employment in the Nation while experiencing sharply adverse trends in the balance of foreign trade in their products.

This analysis shows that in the industries producing meat products, candy, beverages, textiles, lumber and wood products, petroleum and coal products, costume jewelry and notions, and miscellaneous manufacturing products, employment in the Nation dropped 226,103 jobs from 1954 to 1960. At the same time, U.S. exports of the products of these industries declined by $211.5 million, while imports increased $1,435.9 million. In other words, while these industries suffered an adverse shift in the balance of trade in their products of more than $1.6 billion, the Nation lost 226,103 jobs in these industries from 1954 to 1960.

Because these industries supply an important part of the manufacturing employment in Florida, I must be concerned with basic forces which adversely affect these industries nationally.

It is true that the service industries and the wholesale and retail trade have developed strongly in recent years in comparison with manufacturing employment. But it is also true that America, as a great industrial nation, has at the core of its economic strength the manufacturing activity of her home industries. If we are careless about the strength of this vital core, our manufacturing industries, we can weaken America to the point where she will be unequal to safeguarding the security of Americans, let alone discharging her free world tasks.

A policy approach to trade agreements legislation which throws safeguards out of the window in blind reliance upon the inherent strength of our domestic industries to compete with one or both hands tied behind their backs, is a policy of folly. Throughout the years in which the trade agreements authority was sought and used by Presidents Roosevelt, Truman, and Eisenhower, safeguards to insure selectivity in the negotiations and the avoidance and correction of serious injury to domestic industries and workers, have been essential parts of the program. Nothing has changed, and certainly no facts have been adduced to demonstrate the necessity for a change from this tradition.

It is evident to me that our duties have been brought so low that our imports will continue to increase at a rapid rate so long as the economy of the United States has any strength at all. I am unwilling to countenance a removal of safeguards on the assumption that the State Department and its personnel today have any greater ability to use this authority with caution and discretion than the representatives of that Department have possessed in the past. The United States alone of the countries of the world commits the dismantling of its tariff structure to people whose selection virtually insures that they have little or no experience in practical business affairs. To continue such a tradition without the safeguards of a strengthened peril point and escape clause will be hazardous in the extreme.

Under the pending bill, instead of the positive act required by the present law of determining the extent to which duties can be reduced without causing or threatening serious injury, the Tariff Commission would simply "advise" the President of the "economic effect" of reduction or elimination of duties. In so doing, the Commission is directed by the committee's report to consider primarily the idling of plants, inability to operate at a profit, and unemployment. I feel, and I am sure that many of my colleagues in this body feel that the line ought to be drawn against reductions in duty long before those conditions of disaster are met. And it ought to be drawn in a way which is unmistakably clear to the President, so that mistakes will not be made in the negotiations by involving such duties in concessions.

Similarly, under this bill, even if an industry is so badly off that its plants are idle, its firms unable to operate at a profit, and its workers unemployed, the President is given the option of letting the industry go under rather than adjust the duties to accomplish some reasonable regulation of the destructive imports. I do not infer that any President would willingly abuse such power but why convey it? I do not consider the extended form of dole and the superunemployed status which this bill would confer on workers displaced by imports as sound or acceptable public policy. I do not consider loans, grants, or tax concessions to business organizations any more acceptable. I do not want to embody in our law a principle that foreign producers can be accommodated in our market at the expense of relocating our industries, transferring our workers, uprooting our communities, and making ghost towns of the many factory and mill towns scattered throughout the length and breadth of the United States.

Nor do I want to crowd Americans into congested cities to work in the mass production complexes called sophisticated industries. I prefer to let Americans determine where they will live and how they will work.

Finally—and this disturbs me greatly—we could under the pending bill embark upon a gigantic welfare program for industry and for industrial work-

ers. This could be a blank check for an undetermined amount. These things the American people do not yet comprehend.

Historically we have depended upon tariffs to protect American industry from cheap foreign goods. Customs collections now add to the Treasury about a billion dollars a year. If we depart even in part from customs collections and subsitute a program of aid for industry, to be paid from the Treasury, it should be obvious that the American taxpayer and not the foreign manufacturer will make up the deficit. Where will we get the money? By borrowing? By going further into debt? Will it necessitate further increases in the national debt limit? Will this not further weaken our already weakened fiscal status?

Have you thought of the redtape, the endless procrastination which can surround this program at every level? How many industries and how many workers can afford to wait out the normal delays of governmental procedure?

Now, I may be mistaken, but I think that Federal controls will follow pretty closely after Federal contributions to industry. Once America's industry is dependent on payments from the Treasury for existence, I consider it inevitable that ambitious, enterprising bureaucrats will embark upon a program to dominate and control American industry and industrial policies. And it makes not one whit of difference what administration is in power. The result will be the same.

Mr. Chairman, H.R. 11970 is a proposal for the wholesale delegation to the administration of power vested in the Congress; power which should be retained by the Congress. Enactment of H.R. 11970 is not a life-or-death matter. Mr. Kennedy will still be President next year. If H.R. 11970 is needed, it can be enacted next year. Whether or not it is needed will be more clearly known next year. The chances are we would have a better bill next year.

That is why I support the motion for recommittal and for extension of the present law.

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield such time as he may require to the gentleman from New York [Mr. BECKER].

Mr. BECKER. Mr. Chairman, unable to get time on the floor, I am extending my remarks in opposition to this legislation. In the first place, it is not essential that this be passed at the present time. All the haste and pressure is unnecessary. To rush a bill through Congress in this manner when a simple extension of the present law, for another year, could be passed now. Then, without pressure and propaganda, work out legislation for action at the next session and delete several very objectionable features that have been indicated in debate, as well as in committee discussion.

In the first place, I cannot permit myself in violation of my oath of office, to vote powers of the Congress, clearly specified in the Constitution, to the executive branch of the Government. I do believe that accommodation in tariffs must be considered in light of the expanding European Common Market, but England has not as yet voted joining the Common Market. Should England do so, it will be 3 to 4 years at least before England will enter. Therefore, we have considerable time to work on this matter. There is no urgency, as indicated by the executive branch. Again the title of the bill dealing with assistance to business adversely affected is certainly most loose and placing unemployed because of affects of imports on an entirely different and higher plane than other unemployed is entirely unfair. However, the fact that these two provisions are written into the bill, indicates clearly that tens of thousands of American workers will find themselves unemployed. For just these few reasons and many more that have been offered in debate, I shall vote for the motion to recommit and extend the present trade agreements for 1 year. If this is carried, the Ways and Means Committee will have ample time to work out, with the help of both parties in the Congress, business elements and labor, a much better piece of legislation. To prove my good faith, I have voted for the reciprocal agreements in the past, I cannot be tagged with isolationism and am as desirous as other Members of the House and the executive branch of Government to try to arrive at a sound trade policy.

(Mr. BECKER asked and was given permission to revise and extend his remarks.)

Mr. MILLS. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. DENT].

Mr. BYRNES of Wisconsin. Mr. Chairman, under previous agreement, I yield the gentleman an additional 5 minutes.

(Mr. DENT asked and was given permission to revise and extend his remarks.)

Mr. DENT. Mr. Chairman, I had anticipated that sometime during the debate I would be given a little more time so that I might bring to the attention of the Members of the House some of the factual information that we gained not only in a year and a half of hearings but in 5 years of intensive study of the effects of trade as it is now carried on between the nations that have agreements with the United States.

The question of trades, tariffs, and restrictions goes back to the early days of the Grecian States when the very discussion we are having here today probably was the basis for the breakup of those states.

However, in 1776 Adam Smith, a professor of moral philosophy at the University of Glasgow, Scotland, published a revolutionary book which seems to be the "Bible" for most of those who over the years have promoted the philosophy of free trade. Prior to that time, of course, the economic thinking had been dominated by a theory of mercantilism.

U.S. TARIFFS AND CHANGING CONDITIONS

Adam Smith in his "Wealth of Nations," developed a new concept. He declared that wealth comes from goods and services freely exchanged rather than from the money supply. His book introduced the idea of competition as the effective regulatory force in free economic society. Complete freedom of trade between different areas and different countries was a natural extension of his ideas of division of labor and competition.

The "Wealth of Nations" had a great influence upon the young patriots struggling to build a new nation out of the Thirteen American Colonies. Alexander Hamilton was one of the first Americans to obtain a copy. Thomas Jefferson and James Madison refer to it frequently in their letters. Its ideas are constantly reflected in "The Federalist Papers."

By the close of the Revolution the prevailing opinion in America was in favor of free trade. This was a logical part of the general determination to promote freedom—freedom of speech, religious worship, assembly, and the other principles of personal freedom established by the Constitution and the Bill of Rights. Many of the principles set forth by Adam Smith were incorporated in those documents and in the constitutions of the individual States. They committed this country to the system of free, private competitive enterprise.

But it is important to realize that many of the stanchest supporters of free trade, including Hamilton, appreciated the practical limitations of the theory. They saw that free trade can succeed only when applied within the boundaries of a community ruled by substantially the same laws. In his famous "Report of Manufactures," presented to Congress in 1790, Hamilton strongly urged protective tariffs on manufactured products in contrast to his endorsement of free trade at home. He was apparently convinced that the free-trade area set up within the United States could develop its full potential only if protective tariffs were used to defend it against economic exploitation by other nations. Thus, he proposed tariffs to defend free trade within our own free markets. Hamilton argued that the United States could attain a better balanced, more stable, more sustaining economy, better balanced for defense and national security, under a system of protective tariffs. He was concerned with the fact that the United States might remain a raw material supply area for Great Britain, as the Colonies had been, making them fully dependent upon the mother country for all manufactured goods. He wanted diversification for the Nation, just as many private enterprises today seek stability through diversification.

TARIFFS FOR REVENUE

The colonies, however, had long been exposed to galling commercial restrictions imposed by Great Britain in her pursuit of the old mercantile theory, so that the newly established states had determined to keep government to an absolute minimum. They looked with disfavor upon the idea of import duties as unnecessary government interference. Hamilton's very able arguments were not sufficient to change the national thinking about protective tariffs. Nevertheless, almost the first act passed by Congress was a tariff law. It established duties on indigo, iron, wood, paper, leather, and even on tobacco and cotton. This tariff act was established as a revenue measure. In fact, up until the income tax law in

1913, import duties were the chief source of Federal revenue. In the 25 years from 1791 through the end of the War of 1812, Congress passed 24 different tariff acts. These merely modified rates, changed administrative procedures, or developed new classifications. Rates were, in general, fairly uniform on all commodities and it is estimated that less than 5 percent of all imports were on the free list. Collected duties appear to have been about 12.6 percent of the value of imports.

PROTECTIVE TARIFFS

The War of 1812 taught the new country many costly and bitter lessons. The war was the culmination of an attempt by Great Britain to drive American shipping from the seas and make the young Republic entirely dependent upon Europe for manufactured products in exchange for raw materials. Because trade was interrupted during the war, it was necessary to establish manufacturing essential to the war effort and to civilian needs. This convinced the majority of the American people of the soundness of Hamilton's tariff principles which stimulated domestic growth of industry. Even Jefferson, who earlier had dreamed of wordwide reform in the name of free trade, changed his views. At the end of the war the new administration under James Monroe, a loyal follower of Jefferson, completely revised the tariff laws, stressing protection as the primary objective since many new industries, established during the war, could not compete at home with large European manufacturers.

Daniel Webster—who had, in 1824, thundered against the "obsolete and exploded notion of protection"—carried the day for high tariffs in 1828. Between 1812 and 1832 successive laws raised the general level of duties to some 45 percent of the value of all imports.

This move toward high tariffs was not uniformly applauded. The southern section of the country was much concerned since its economy depended largely on the export of tobacco and cotton in exchange for manufactured products from England and Europe. There were threats of nullification and secession in some of the Southern States.

This conflict of interest resulted in a policy of compromise sponsored by Henry Clay. His bill, passed in 1833, called for gradual reduction of all duties exceeding 20 percent, to be accomplished within 10 years. The experiment in compromise failed. By 1837 tariffs had been reduced to an average rate on dutiable goods of about 30 percent; and, of course, the average rate on all imports was much lower since many items had been put on the free list. As a result of the program of tariff reduction, the revenues collected were no longer sufficient to meet Government expenses. Moreover, the Nation's first great depression began in 1837. As a result of these circumstances, there was considerable agitation to increase tariff rates. Congress passed a new law in 1842 returning substantially to the tariff levels of 1832. Under the new act, revenues increased so that by 1846 they were in excess of Government requirements. Moreover, the country had entirely recovered from the depression.

The influence of southern politicians, however, was still potent. They forced many reductions in 1846, succeeded by sweeping reductions in 1857. Six months after this a financial panic swept the country, depressing agriculture, trade and manufacturing alike. Most of the tariff rates had been reduced to 24 percent; and including items on the free list, duties on all commodities during the period 1857 to 1861 averaged about 20 percent. This was the lowest average rate of duties for the 100 years from 1812 to 1912.

Once again the Government was running at a deficit and the new Republican Party, although trying to avoid an open split with the South, passed the Morrill Tariff Act in 1861 which substantially restored the rates of 1846. To meet increased Government costs resulting from the Civil War, the tariff acts of 1867 and 1870 further increased tariff duties.

TARIFF COMMISSION

In the period following the Civil War, large immigration, rapid expansion into the western part of the country, extensive railroad building, and the growth of other industries brought a new era of prosperity. Government receipts from customs duties were large. Once again agitation for tariff reductions developed and the Tariff Act of 1872 reduced the average rate on dutiable items to about 39 percent. Tariff rates remained a live issue and the Congress appointed the first Tariff Commission. In 1883 Congress passed a new tariff law based on the Commission's recommendations.

From 1789 until the income tax was introduced in 1913, tariffs were the principal source of revenue for the Federal Government, but there were always standard arguments against it. One argument was that tariffs would diminish imports and thus, regardless of the rates, dry up this source of income. However, the volume of imports was actually greater, and the Treasury fared better when the rates were relatively high. Indeed, in 1857 the main argument for reducing rates was that the Government was making too much money.

The experience of the country during the War of 1812 and the Civil War seems to have demolished the idea of international free trade as an end in itself. Changing political winds, and changing economic conditions, inevitably produced hundreds of changes in specific rates. The general level of rates tended to shift up when the Republicans were in power and down when the Democrats won. But the basic principle of protection consistently prevailed.

From about 1900 to 1932, minor changes were made from time to time. During the election campaign of 1908, the Republicans announced for the first time that the difference between the cost of production at home and a lower cost abroad was a basis for setting tariff rates. Nevertheless, it was not feasible to lower tariff rates significantly because import duties still remained the chief source of revenue for the Federal Government.

Under the Democrats in 1913, however, the new Federal income tax law was passed. For the first time, tariff rate considerations were divorced from the compelling requirement of meeting the fiscal budget. The Democrats then passed the Underwood Tariff Act in which they made full use of the competitive principle enunciated in 1908. They acknowledged that foreign producers enjoyed a powerful advantage in low wages. Their purpose was to find rates which just offset this and other similar unnatural advantages. In theory, while exposing the domestic manufacturer to foreign competition, these rates would shield him and his workers against the effect of cheap labor abroad. The result was the most sweeping reduction since 1857.

Trade was so completely disrupted by World War I that the consequences of this radical 1913 change were not immediately felt. Promptly after the war, however, imports flooded in. The Germans actually proposed, as a means of paying off their indemnities, to sell $20 million worth of dyes per month in this country. In the face of the flood of imports, Congress passed an emergency act in May 1921. They then set to work preparing a new law.

A brief summary like this may leave the impression that drafting a tariff law is a fairly simple process, largely a choice between doctrines. Nothing could be more misleading. The rate on pistachio nuts, for instance, is vital to the man who has invested his life's savings in pistachio trees. He will bring to bear on his Representative in Congress all the pressure he and his workers can contrive. The importer of pistachio nuts, and the farmer who fears discrimination against American wheat by foreign pistachio growers, will bring equally strong counterpressures to bear. The State Department, trying to negotiate an alliance with a pistachio growing foreign country and the War Department, trying to build a military stockpile of pistachio nuts, will have much to say. Trade has become so complicated and so tangled that any item on the list can have endless domestic and international ramifications. It was because the problem had become so complicated that Congress established the Tariff Commission to serve as a group of experts to give assistance in drafting sound tariff legislation.

In working out the Fordney-McCumber Tariff Act of 1922, Congress and the Tariff Commission had to sift thousands of these conflicting claims and find a practical compromise between extreme positions. The result was to raise the average tariff rate slightly. Another general revision in 1930, embodied in the Smoot-Hawley Act, was again worked out on a product-by-product basis. Rates on many products were adjusted, some up and some down, and various provisions designed to protect the commerce of the United States against unfair competition were strengthened. The major depression of the early thirties, however, so distorted the economy of the United States—and the world—that it is impossible to isolate the effects of this tariff.

RECIPROCAL TRADE AGREEMENTS ACT

Immediately after the election of Franklin D. Roosevelt in 1932, plans were made for a new tariff revision. Instead of carrying the revision through Congress and the Tariff Commission, the Reciprocal Trade Agreements Act was enacted, in 1934, as an amendment to the Smoot-Hawley Tariff Act. Under this amendment the President was authorized for a period of 3 years to enter into trade agreements with other countries without congressional approval.

His authority to reduce tariffs was limited to 50 percent of the then existing rates of duty and reductions were to be made only in exchange for reciprocal reductions from other countries. The President, operating through the State Department, began at once to negotiate trade agreements which mutually reduced rates between the two countries negotiating. Of course, as soon as we reduced the tariff rate to one country, we made the reduction available to all because of the application of our traditional most-favored-nation policy.

The consequences of this policy, initiated by the reciprocal trade agreements program, have been confused by the effect of other factors at work at the same time—first continued depression, then the demands and devastation of World War II, followed by postwar dislocations, the Korean war, and the unremitting tensions of the cold war. Two facts, however, are clear. First, by any measure, U.S. tariffs are now among the lowest in the world. Second, the main objective of the program—a similar reduction of barriers throughout the rest of the world—has not been accomplished.

The first—that U.S. tariffs are now among the lowest in the world—may come as a surprise. This is a fact which has not been made clear to the American public. The studies giving relative tariff levels for different countries are reported in chapter VIII.

As to the second point—the failure of the reciprocal trade agreements program to accomplish a similar reduction in the barriers imposed by other countries—the evidence is abundant. Tariffs are the mildest of trade barriers. Import licenses, embargoes, quotas, exchange controls, cartels and state trading are conspicuously more restrictive. The way they operate and the extent to which they negate the principles of free trade will be discussed later.

While efforts have been made to persuade other countries to relax their nontariff barriers—mainly by way of negotiations set in motion by the General Agreement on Tariffs and Trade, an international project launched in 1947—the result to date is not encouraging. In the opinion of many persons engaged in both domestic and foreign trade our negotiators, in their enthusiasm for expansion of world trade, have often surrendered more than they gained.

It has become customary for foreign nations to negotiate reductions of our tariffs in exchange for their tariff reductions and then to establish quotas on exchange controls which are even more restrictive than was the higher tariff so that in the end we have reduced our import restrictions but other nations have actually increased their trade barriers. Many of the most restricted foreign trade barriers—import quotas and exchange controls—reflect deep-seated internal problems. They become an integral part of national inflationary money policies and socialistic national economic controls. Such quantitative restrictions can be removed only when sounder governmental policies are reestablished. No amount of negotiation on our part can change the internal situations which require these policies.

Under the pressures of the cold war we have felt the need to retain allies and have offered economic assistance as one inducement. To this end we have offered both direct dollar aid and lowering of tariffs to assist in foreign trade. In the case of direct foreign aid we know the cost—if not to the exact penny, at least to the billion—$50 billion. On the other hand, when we set about helping other countries by lowering our tariffs and promising to buy more of their goods, the effect on the Nation's economy is often obscured. We cannot even estimate the cost. Industry, directly affected, of course, recognizes the effect soon enough. It takes longer however, for the secondary effects in terms of lost jobs and lost savings in related industries, and progressively throughout the economy, to become apparent. The butcher, the baker, and the candlestick maker do not realize the impact for years.

No attempt has ever been made to estimate the pyramiding effect which results when raw material suppliers, transportation and communications, factories and lost taxes are added in to the loss of production on a finished item.

Since World War II most of the other nations of the world have been busy, with our help, restoring, enlarging, and modernizing their production facilities. Only now, except for a few special products, are they beginning to turn out goods in sufficient volume for general export. Thanks to the purchasing power by mass production—and mass production could have evolved only in a protected area like the United States—the American market is the most attractive in the world.

Not having readymade markets at home, largely because of internal restrictions and low wages, foreign producers are eager for access here. They have not yet had time to realize fully on the reductions granted to date. Yet we have already been obliged, in the interest of defense, to raise the duty on, among other articles, watches. Imports from Switzerland were forcing our own watchmakers, whose skill with precision instruments is vital in time of war, out of their jobs.

Proposals for further extending and enlarging the scope of the reciprocal trade agreements program are now before Congress. Many changes have occurred throughout the country since that program was originally debated. Areas which were formerly agricultural are now rapidly industrializing. We have learned much about the nature and effect of foreign barriers other than tariffs. After 20 years of tariff reduction, and 20 years of depression, war, and postwar adjustment, the Nation has again an opportunity to debate the question. It is hoped that, by a second look at the basic issues involved, we will change our approach to the tariff problem and build our foreign trade program on a sound economic basis.

SOME OLD MYTHS

Many present-day sponsors of lower tariffs describe themselves as advocates of freer trade, not absolute free trade. Yet, they bring forth many of the myths spun years ago by free trade theorists. Let us now examine some of the more persistent and superficially persuasive of these myths.

TARIFFS ARE NOT A CONSUMER TAX

One of them is that tariffs are a direct tax on the consumer. Such a concept fails to take account of several aspects of the problem.

One assumption is that if the tariffs were reduced, the foreign producer would immediately reduce his U.S. selling price by the amount of the tariff reduction. However, if he can now sell his product in this country with present tariff levels, it means that he is either equaling or bettering the sales price of competing domestic goods. If the tariff is reduced, he is not compelled to reduce his selling price; he is in a position to make more profit by not having to pay a tariff. In other words, if the tariff is paid at all, it is paid by the foreign producer and not by the American consumer. The revenue from tariffs goes into the Federal Treasury. Any reduction in tariff revenues must be made up by additional taxes directly on the people, either by income tax or business taxes, so that even if the consumer could buy an imported item at a lower selling price with the elimination of tariffs, he would probably still have to pay just as much in taxes as the reduction in tariff had eliminated on the selling price. Any one consumer would gain an advantage only if he bought more imported goods than the average consumer so that the tax burden was differently distributed.

Part of the assumption that tariffs make the consumer pay higher prices is that the American producer has no competition other than the foreign imports. In any major industry in the United States the large companies offer each other the most intense competition. This drives the selling price to the lowest point which still permits sound return on invested capital. If, in the face of inadequate tariffs, foreign competitors further reduce the selling price, they will in the end take over the market and drive out the American competitor. When the American producer is driven out of business, the jobs which his company furnished are lost. The consumer argument overlooks the fact that the consumer is also a producer. On the whole, the consumer stands to lose in pay any amount he may save in lower import prices. The low price argument has so much appeal because a given consumer supposes or hopes that he personally can buy cheaper, while it will be some other individual who will lose his

job or have his weekly pay reduced. It is the simple assumption that the individual can profit at someone else's expense. It is truly amazing what economic nonsense can be made to seem plausible by the simple semantic trick of speaking of the consumer as one person and the producer or worker as a separate and different person. On the average, and except for children and a few drones, the consumer and the producer are one and the same person.

IMPORT COMPETITION AND TECHNOLOGICAL ADVANCE

At this point, perhaps we should digress for a moment to take a quick look at an example which the free traders are fond of using. They say, "but competition brings progress." Protective tariffs eliminate foreign competition and so stifle technological advance. To stifle competition by tariffs is the same as if we had placed a tax on the new auto industry to protect the buggy industry from competition. What they overlook is that the buggy industry did not lose its market to autos because the automobile industry paid low wages. What happened was that workers moved from the buggy industry to the automobile industry for higher wages.

We had here a true technological advance. Because it was an advance, the auto industry could take over the market from buggies and pay higher wages while doing it. The free traders are quite right on one thing, however. When the automobile industry won the market from buggies, the jobs in the buggy industry disappeared—the jobs went to the successful competitor. In the same way, to the extent that imports made with low cost labor take over the market, the jobs move to the low wage country.

One other point about tariffs, competition and the American consumer. We have had relatively high protective tariffs throughout most of our history up to the last decade or so. Under such conditions the real wage of the American workers, or, if you prefer, the American consumers' standard of living, has been for many years the envy of the whole world. This fact clearly demonstrates first of all that the tariffs have not been a burdensome tax on the consumer and, second, that competition between domestic producers has been adequate to keep prices in step with wages and productivity. True, the mere fact that we have gained a high standard of living at the same time we had protective tariffs does not prove that tariffs caused the high standard of living. It is true, however, that tariffs have not prevented our reaching a high living standard. Moreover, this puts the burden of proof on the free traders, since they then must prove that absence of tariffs would have been even as good, let alone better. Here are the facts, not just theory.

A simple illustration will demonstrate that the purchase of a foreign product at lower than the American producers are first to lower their prices, either their profits or wages or both suffer. But if the profits drop, then the firm pays less Federal income tax—the corporate income tax is currently more than 50 percent and appears likely to remain at this level. Thus, for every dollar that business profits decrease, the consumer will have at least 50 cents of Federal tax that he will have to pay directly. To this one must add reduced State and local taxes from ailing business and less generous gifts to charity. All in all, most of the apparent saving is merely shifted to other products or persons.

Some statistics regarding bids for a large generator for the Chief Joseph Dam will illustrate the importance of tax revenue from American business. As the following calculations show, the lower selling price offered by the foreign bidder, plus the import duties which would have been collected, represented a net loss of $111,000 to the Federal Treasury when the loss of taxes is considered:

Federal, State, and local taxes paid by American company	$117,000
Federal, State, and local taxes paid by their suppliers (approximately)	54,000
Wages paid to their employees would total $833,032, and if each employee pays income tax at the average rate	166,000
Wages paid to employees of suppliers would total $435,000 (estimated) and if each of these employees would pay income tax at the average rate	86,000
Stockholders would receive $45,780, and if stockholders would pay income tax at the average rate	9,000
Tax loss	432,000
Government saving by foreign purchase	204,000
Import duty paid by foreign firm	117,000
Total	321,000
Net loss to Government	111,000

Another one of the myths about foreign trade is that foreign trade must continually increase if the economy is to expand and prosper.

Foreign trade is an ancient custom, and most people take foreign commerce pretty much as a matter of course, but there is always the question of how much foreign trade is desirable. It is customary for those engaged in shipping and for merchants who buy and sell in foreign markets to look favorably on extensive foreign trade; while those engaged in developing and pursuing industry within the country are apt to consider foreign trade less favorably.

It is well known that logic can be used to prove almost anything, if one is permitted to choose the proper major premise or assumption. The tariff abolitionists, otherwise known as the free traders, or freer traders as they like to call themselves today, start with the assumption that more foreign trade is, of itself, necessarily desirable. They do not say how much more foreign trade would be desirable. The inference is simply more—without limit. In the United States, they start with the assumption that since more exports are desirable, more imports must be had to balance these exports.

Let us probe this position a little. If more foreign trade is desirable, how much more? Current commercial U.S. exports and imports are each running more than $10 billion a year. If more trade is desirable, would it be better if it were $20 billion a year, or perhaps it should be $50 billion a year, or why not $500 billion a year? This way we could get to the point where we make nothing for ourselves and export everything we make in exchange for things other people make. It is immediately obvious that the assumption of just more foreign trade is not valid basis in which to start a discussion of the problem.

Well, then, is there any real basis on which we can agree as to how much world trade we should have? Yes. One may look at the economic reasons why nations may desire or need to have foreign trade. World trade beyond that required to satisfy these economic needs would remind one of the sentiments expressed by James Russell Lowell in "The Bigelow Papers":

> Changes jes' for change,
> is like them big hotels
> Where they shift plates
> an let ye live on smells.

ECONOMIC REASONS FOR FOREIGN TRADE

There are, in all, four economic reasons why nations may want or need international trade:

First. If a nation is lacking in certain essential raw materials, it will need to import them. In fact, if the nation's sources yield essential raw materials of low grade, it may also wish to import them more cheaply from nations with sources of high-grade raw material.

The value of raw materials consists essentially of the use which human society can obtain from them. The amount of human effort required to mine the minerals, recover and refine them, is largely determined by the quality and type of natural deposit and its accessibility. Included is the question of whether or not the proper combination of raw materials is available and conveniently located, as for example, the proximity of iron ore and coal for making steel.

Some nations are more favored than others; but few, if any, find themselves with adequate supplies and quality of all desirable raw materials. Hence, all nations will probably need some foreign trade to obtain a full variety of desirable raw materials.

Second. A second reason why nations may want foreign trade is that it is unable to grow certain animal or plant life which it needs. Conversely, if a nation has an overbundance of suitable soil and climate for growing certain desirable products, it can profitably sell these in the world market. Such nations would find foreign trade desirable. Prime examples of this are tropical products, such as, fruits, rubber, spices, and so forth, which would be too expensive to grow elsewhere. In the days before the industrial revolution, much of the foreign commerce was in products of this kind.

Third. Another reason why a nation might wish trade with its neighbors is to obtain a mass market. Whenever production can be mechanized, unit costs are much less from large scale production units. Prime examples of this are the efficient production-line automobile plants and the highly mechanized and

automatically controlled petroleum and chemical plants. But large-scale production is not possible unless there is a mass market. Wherever a country is too small to represent, by itself, a market sufficiently large to permit low-cost production.

Fourth. Conversely, a nation may profit by foreign trade if its technology, ingenuity, and inventiveness lag behind. By trading services and products that are essentially handmade with neighboring nations for mass-produced items, the backward nation can obtain manufactured products not otherwise available to it.

Let us examine these four economic reasons for international trade. On which basis would the United States in its own self-interest seek world trade? Certainly, the first and second would apply. We need to import raw materials not found in abundance in this country. We regularly import nickel, tin, platinum, bauxite for aluminum, manganese, tungsten, and cobalt ores, and many other basic materials. We also are interested in foreign trade to obtain coffee, cocoa, tea, bananas, spices, nuts, and many other items which are not economically grown here. Incidentally, most of these raw materials and food imports are on the free duty list and come in without tariff restrictions.

On the other hand, there is little reason why the United States would wish to expand foreign trade for the third and fourth reasons. Our size—more than 160 million—coupled with our relatively high personal incomes, represents the largest mass market ever known. As a matter of fact, the chief reason foreigners are so anxious to sell their products in the United States is that we have a large mass market already conditioned by American merchandising and advertising programs to want to buy a wide variety of manufactured products. Moreover, because of our high wage rates, there is ability to buy on a broad scale in this country.

The U.S. producer does not need to look beyond our boundaries to find his mass market. Take the case of the automobile industry. While it might be very enticing for the automobile producer to sell additional cars in world markets whenever demand slumps at home and he is not running his factories at capacity, the fact remains that at least the big three in automobile production have each attained sufficient size by supplying the American market so that they have reached substantially minimum production costs and, in fact, probably have approached the size at which inefficiency inherent in increased size largely offsets any possible gain in unit cost reduction from further growth. If these corporations have more money and talent than is required to supply cars for the American markets, they can profitably enter new fields and produce new products for the American public. In fact they began to do this many years ago by making refrigerators, air-conditioning units, automatic washers and dryers, and many other products.

As for ingenuity and inventiveness, it is evident that we need not look elsewhere. We need only to be sure that our national policies help to retain our economic vigor so that research and enterprise receive sufficient reward to flourish and continue our technological development.

We have been considering U.S. foreign trade from the point of view of what is good for us. Do we not need to trade to accommodate the needs of other nations for foreign trade? Belgium, for example, does not constitute a mass market; should we not trade with Belgium to accommodate its need? It does not follow, however, that the only way for the Belgians to obtain a mass market is to sell in the United States. As a matter of fact, each of the European countries could claim lack of a mass market for some of their production. By trading with each other, however, they could, readily obtain a mass market the equal of the total U.S. market. In addition, there are many other nations in the world, many of them essential exporters of raw materials and importers of finished products, which can be approached as a partial market to get the sales required for mass production. The point is that other nations do not have to trade with us to get a mass market; and in fact, their trade with us or any other nation will not be sound unless it is based on a mutual advantage. Mutual advantage involves trade between complementary economies—and not between equally industrialized, competitive economies. This does not mean that we should not have reasonable and normal trade with all countries who have something to offer in fair competition in our market. The point is that many seem to be approaching this point with the attitude that we, and we alone, must solve everyone else's trade-balance problems by lowering our tariffs.

Another avenue of market expansion available for foreign nations is the further development of their own market. Most foreign nations could profit by following the example of the United States in the field of merchandising and marketing.

The strength of our mass market lies in the income distribution which puts a large part of the income in the hands of individual consumers. The advantage of having many buyers with substantial purchasing power is obvious. This idea has been summarized by the quip, "A million men, each with $1 represents a sounder market than one man with a million dollars."

The matter of purchasing power in the hands of consumers goes beyond the mere matter of distribution between wages and other forms of income, however. For example, the high percentage of homeownership in the United States is, in part, due to the fact that we have methods of making mortgage financing available to workingmen so that they might buy a house with a small downpayment. In many European countries, extensive consumer credit is unknown, and much could be done to stimulate their home market by a suitable consumer finance service. Such reforms can only come from the countries themselves. The idea involved here was nicely summarized by William Graham Sumner in 1889, when he said:

> We are told what fine things would happen if every one of us would go and do something for the welfare of somebody else; but why not contemplate also the immense gain which would ensue if everybody would do something for himself?

This thought is as applicable now as then.

NORMAL TRADE IS BETWEEN COMPLEMENTARY ECONOMIES

In discussing reasons why nations want foreign trade, it would be well to remind ourselves of the basic concept about trade itself. Trade in the free market is predicated on the assumption that exchange takes place to the mutual advantage of each party. Each gets something which he prizes more highly than that which he gave up. In this case, their economies supplement each other—the one country furnishing an abundance of raw materials while the other country, being equipped with capital facilities, furnishes industrial production.

There are no compelling economic reasons why two highly industrialized nations should have extensive balanced trade. Their economies are competitive, not complementary. To propose that the United States greatly increase its trade with industrial countries like England, France, and Germany is like suggesting that Gimbels and Macy's increase their sales volume by selling more to each other. In other words, international trade, based on economic needs can and rightly should be balanced through multilateral trade-balance payments.

Trade experts are quick to point out that the large volume trade is between the highly industrialized countries. This, of course, is not too surprising, because the total value of goods and services produced in countries like Germany, England, Canada, and the United States is so much greater than for the less developed countries that even a small percent of trade between the industrial nations represents large dollar amounts. Much of the trade between industrial countries is due to very temporary imbalances and shortages. In the process of industrial expansion and manufacturing changes, shortages in particular commodities develop.

If any country anywhere in the world has surplus capacity to supply the given item, it will, of course, be imported by the fastest transportation available. This will continue until the user or some other company can design and build facilities to meet its requirements. Because there is such a large number of special materials, intermediate products and assemblies and parts required in the total economy, there are at any one time always some imbalances; hence, a rather constant need for this sort of exchange of products. This sort of trade is highly desirable, but it does not indicate a long term, fundamental policy for industrial countries to depend extensively on im-

ports for parts, components, intermediate products, and so forth. Trade to meet temporary shortages will continue because of changing needs rather than long-term plans to depend on component imports.

It is argued that England and the European countries must export to pay for the things they need, and hence we must make it easier for them to export to the United States. It is obvious that they must export enough to somebody to maintain a trade balance, but there are many ways they can improve their position without our having to bring down tariffs. They can obtain increased dollars through multilateral trade balances and they can improve their internal economies.

In a recent English book, "We Too Can Prosper," by Graham Hutton, a distinguished British econometric writer and administrator, the author states that without new capital expenditure a "15-percent raise in productivity can still be achieved by reorganization of work." He suggests that this increase would "solve Britain's chief social and economic problems." The London Economist, in an article, "The Riddle of Prosperity," also suggests that Britain could do much to improve efficiency and put herself in a better competitive position in world markets. It stressed that the desire to do so was one of the essential ingredients for successful improvement. Increase in productivity and efficiency would mean that fewer exports would be required to pay for necessary imports.

One way to judge the amount of world trade which is desirable is to consider the relation between technological advances and international commerce. History shows thrat as countries industrialize, they have relatively less and less need for trade. In an industrialized society, commerce consists largely of the exchange of natural products and the products of handicraft. When the world consisted of sovereign nations with that type of economy, a great deal of foreign trade was required. Countries which could grow wheat and corn were not suited to the growing of cotton. Some regions of the world could effectively grow sheep and supply wool, but not wheat or bananas. As a consequence, individual items of food, fiber, building materials, or ores for primitive metallurgy, were shipped from a country having an abundance in exchange for other natural items of food, fiber, or the like.

In the United States, for example, the record shows that our foreign trade has been gradually increasing dollarwise, but at the same time has been progressively decreasing percentagewise. In 1800, our foreign trade represented more than 12 percent of our gross national product. By 1875, it had decreased to about 6 percent; and in the 1950's it has been less than 3 percent. Figure 1 shows how our foreign trade has declined as our total economy grew and industrialized. The data for the graph are obtained by dividing the dollar value of total imports by the dollar value of gross national product, which is just another way of saying that the graph relates total imports to total value of goods and services produced in the United States.

We have been looking at import data on a dollar basis. However, quantities of imported goods will have changed too. According to the Commerce Department—and I read:

> The level of imports in relation to domestic production during recent years compares much less favorably with the prewar level in real terms than in terms of current values. From 1951 through 1953, the volume of imports [that is value adjusted for price value] was only about half again as large as from 1936 through 1938, while the Nation's real import was more than twice as great. This is accounted for in part by the relatively larger price rises on many national products.

According to Professor Riemer, of the University of Michigan, Brazil's foreign trade position is four times as favorable now as in prewar days.

This is due to changes in prices of exported products relative to imported items. A recent example will indicate this change. Last year U.S. coffee imports rose by $150 million, although the volume actually declined. Cocoa imports showed a $30 million increase with a large drop in quantity. Generally we discuss foreign trade solely in terms of dollars. It is natural that we do so. Nevertheless, when we consider the quantity relations, it appears that our foreign trade is even smaller percentagewise than the dollar values indicate.

It is not surprising that our foreign commerce is becoming less important. At first most of the products of commerce in this country were natural products, such as tobacco, cotton, corn, grains, furs, and timber. These were exchanged for natural products from other parts of the world and some manufactured products from England and Europe. After the War of 1812, our Government saw the importance of industry to national defense and began a program to foster industrial growth. Through the years, mills were built to weave our cotton here, and we no longer had to send it to England to be woven. Steel mills were built, the nonferrous metal industry was established, the machine tool industry developed, and in the course of time our chemical industry began. Coupled with our industrialization came rapid technological advance. Synthetic dyes replaced natural products, medicinals were synthesized in chemical plants, nylon replaced silk, synthetic replaced imported natural rubber. As a result, our domestic commerce grew much more rapidly than our foreign commerce, and our need for imports and exports decreased in relative importance.

Is this decrease in the importance of foreign trade a peculiarity of our economy or is it a general experience? A look at the world situation indicates that the experience is rather general. In all the industrial countries in the world, foreign trade has been decreasing in importance as the industrial economies grew. It is evident that the gap between international trade has been widening in recent years.

The results of modern research and industrialization free man from some of his former dependence on natural products. Plastics, for example, can substitute for many metal or wood products and can be made from a variety of base materials. If wood is plentiful and coal is not, plastics are made from cellulosic materials. If neither coal nor wood is available, plastics can be made from oil or, for that matter, from oat hulls.

We see then that whereas the "freer traders" are calling for more and more U.S. world trade, neither theory nor fact supports them. Economic theory would require for us imports of raw materials which we do not have in abundance and exports sufficient to balance our imports; but the facts show that as we and the European nations have been industrializing, foreign trade has become a smaller and smaller percentage of our total trade.

When we view this in light of the fact that we have never had any problems of paying for our imports—a perennial problem with some nations who want the United States to remove its tariff but are maintaining higher tariffs than we are—we find little cause for concern. If, however, we were to remove our tariffs, industry could begin an exodus to the low-wage countries and our trade balance would shift to one of excess imports. We would then find ourselves in the same position from which other countries are now trying to extricate themselves. Then indeed we would have cause for concern.

WORLD TRADE AND PEACE

Many pacifists have joined in the clamor for world free trade. They have convinced themselves that the application of free trade would eliminate what seems to them the most important cause of war. They visualize, first of all, that maximum world division of labor would make each country so dependent upon other countries that the successful waging of war would be impossible. Secondly, they think that through maximum freedom for commercial trade and exchange of ideas, an increased understanding and mutual respect would gradually advance the cause of world brotherhood and eliminate the frictions which lead to war. This, of course, all sounds very desirable but unfortunately history does not substantiate this very nice theory. Of course, if all nations were so dependent on others that none could wage war, the peace would be maintained as long as this condition existed. Unfortunately, however, some one nation might, and in fact, in the past invariably has, through stockpiling and developing of substitutes and by negotiating alliances, assured itself of adequate resources to sustain a war. At this point, unless the defending nation can overcome the weaknesses due to lack of self-sufficiency through alliances or by other means, it becomes helpless before the power or combination of powers which have military self-sufficiency. So long as the world is composed of sovereign nations, war cannot be ruled out by developing national interdependencies through trade.

Likewise, those who propose free trade as a step toward a world government are getting the cart before the horse—way ahead of the horse. Neither history nor logic supports this idea.

To propose free trade before establishing a world government is like saying, "Come on, let's play ball; and after we have played together for a while, we'll make the rules." It certainly is true that after playing for a while without rules or umpire, there will be good insight into the need for rules. Without any agreement beforehand and with no umpire, there will be numerous fights and the outcome is likely to indicate which side has the toughest fighters, not which is the most skilled ball team.

Let us examine history. Have there been any examples where free trade has led to union? Was, for example, the formation of the United States the result of free trade? No. Free trade did not even come with the federation. The course of development was not from free trade toward a feeling of mutual interest and good will and then to union. Union came first and was followed by free interstate trade. A national government had to create the necessary conditions in order for free trade to work.

It is equally misleading to suppose that free trade is the royal road to world peace. Prior to World War I, trade and travel in Europe were almost as free of barriers as between the States in this country. One could travel from one end of Europe to the other without a passport and without a currency conversion problem. Products were bought from the best source, from whatsoever country. England was on free trade. Did this freedom to trade prevent war? No, it did not. But history does record that the national defense potential of many of the countries was impaired by their trade policies. A study of military history shows that national and international politics overshadow trade restrictions as a cause of war.

FOREIGN TRADE AND STANDARD OF LIVING

Another point which has confused many people involves the relationship between trade and living standards. One frequently hears the assertion that we must trade with foreign nations to keep them from going communistic The implication is, that by trading with them we can raise their living standard and thus reduce the chances that they will turn to communism. This concept grows from a lack of understanding of how a living standard is achieved.

If by standard of living one means all the goods and services which people in a given country have, then the standard of living is just the sum total of all goods and services which they produce. Trade is merely the means by which in a division-of-labor society the production is distributed between the various individuals. There are only two ways in which the standard of living may be increased. One is to produce more, the other is for one group to get a bigger share of production at the expense of some other group. This economic law is frequently illustrated with the pie example. There are two ways in which Jack may get more pie—Mother might bake a bigger pie and Jack get his usual sixth, or Jack might get more than his usual sixth of the same size pie. In this latter case, Jack gets more pie but someone else will get less.

If our international neighbors want a higher standard of living, either they must produce more or, through gifts or unequal trading, receive from some other people a part of their production. Increased United States trade with Europeans will not directly increase their standard of living unless, in their trade with us, they get more from us than they trade to us.

There is, of course, an indirect way in which world trade may increase the living standard of a country, namely, through greater efficiency by more international division of labor. This is the basic conclusion of the free trade theory.

When this point arrives, the problems of trade as such will have been resolved because the nations of the world for all practical purposes, will have become one nation.

We believe we are preaching the free trade theory of Adam Smith, and yet we are basing our free trade agreements upon the very economic theory that he denies in his book. The only question I asked during this entire debate related to that proposition of the money supply. All of the proposals that we have heard today are based upon the fact that this Nation, every nation, is attempting to put itself into a position of having a favorable balance of currency. Now, this favorable balance cannot be achieved if there is such a thing as an unrestricted trade allowance between a low-cost area and a high-cost area. Low wages and low income do not make up a market. The only thing that makes up a market is high income. Low prices do not make a market. Low prices break the market. This very situation we are talking about here, concerns trade between unequal economies. It cannot be done in this century or in our generation any more than it was accomplished through the entire history since man first invented the wheel and attempted to hire someone to push it.

Mr. Chairman, I am sorry we do not have the time to give you the actual facts and figures. I heard someone ask the question this afternoon relative to exactly what the trade balance was in the United States, and for the past year and 4 months the American people have been told that we have a $5 billion trade balance in our favor. This is as fictitious as a $3 bill. The only trade balance we have is what we have purchased ourselves. We find that we are told that 15 percent of the agricultural products are exported, and therefore we ought to expand trade in order to help the export of agricultural products. We are in a position with American exports that the more we export the less money we will have in the United States. We are in the same position as the individual who was selling shoestrings at three pairs for a dime when his competitor said to him, "How can you afford to sell three for a dime when I buy from the same supplier and pay 5 cents a pair?" He said, "It is easy. Volume takes care of it." That is exactly what has happened to us in the agricultural picture.

I heard a man ask about beef exports and beef imports. The balance for 1959 shows this: The difference between beef and beef product exports of the United States and imports of beef and beef products represents a displacement of 42 million acres of feed grain land in the United States. We have no protection for that bulk of agricultural products which are being invaded by low priced and low-cost exports.

One particular community alone, Nyland, Calif., showed by testimony and facts and figures that where they had 15,000 workers in the tomato fields 5 years ago they are now down to less than 500, including the owners of the tomato fields. This is all caused by the importation of tomatoes from Mexico at 80 cents a day labor against $1 an hour minimum in California.

Now, Mr. Chairman, the question that we are resolving may properly be a diplomatic one. I do not have any quarrel with that. But at this point let us understand one thing: I do not bow to any Member of this Congress in my opposition and in my contributions against communism. I do not believe that any effort that I am making to save the depressed economy of a proud State that once stood second from the top and now stands second from the bottom, that I am in any way contributing to a softness toward communism. That kind of an argument is only used when sound arguments fail and cannot be used.

Mr. Chairman, I have heard it said on this floor that the so-called relief clauses will benefit all of those injured by imports. How do we measure that? I will say this, though: Knowing this bill will pass, it would be suicide for my State if we took that relief clause out, because we are flat on our backs right now, and something must be done. However, let us take a look and see just who will determine or who can determine who will be paid these relief payments. I want this clear so the RECORD will show that I am bringing to your attention exactly what is happening and what will happen.

We have—and I think the same condition obtains in the congressional district represented by the gentleman from Pennsylvania [Mr. GAVIN], because it is an allied plant—the closing down of an electric motor division of the Elliott company. It is something like 80-some-odd years old. It is the Crocker-Wheeler Division which manufactures motors from 5 to 500 kilowatts. When they announced its closing the day before election day, they said they could not stay in business because of the price deterioration caused by imports. When I met with them I said "Show me where you are injured. I have so many arguments with people who say that that is not true." They said "Yes; these people probably have an argument because we cannot point to a specific item that is sold in competition with us in any particular area."

But, Mr. Chairman, let us see how they are injured. In the United States of

America there are 37 manufacturers of this type of motor. Amongst this 37 are three—Allis-Chalmers, Westinghouse, and General Electric. Now, in all of these years of operation, you will find if you get into the economy of American production that there has always been room for a high-cost smaller manufacturer to operate within our economy. That has always been true, because the large, monopolistic type of producer has always recognized the need in our economy for the diversification of industry and the dispersement of industry to the local communities of the United States rather than the concentration of our production within a given area.

Mr. Chairman, before I go any further, let me say this, without fear of contradiction: If this bill is passed and put into effect it will damage the job economy. And I make that point very, very clear, because 4 years ago I stood in this very Chamber and I said that President Eisenhower would not take the 20-percent-cut advantage granted in the 1958 passage of the Reciprocal Trade Agreements Act, because then he faced the realities of life. Theory must fly out the window. So, I say in this respect, I have the greatest trust in the President of the United States when it comes to this, because I have read his speeches both in the House of Representatives and before the Tariff Commission, and I know how he feels about injured industry. I know that the relief clause contained in this legislation was introduced by the President when he was a Senator in the Senate of the United States. The remarks he made upon its introduction show he knew the problem. He knows full well that you cannot buy a job or the dignity that comes from a job. There are men in this room who say that this is an insignificant thing—this situation in the Crocker-Wheeler Division. Is it? Let me tell you something. It means 450 jobs of men who have up to 22 years of service in that particular company. I cannot lose my job by any of the details contained in this bill. I can lose my job only by the action of my people back home. But I am protected by another device. I am protected by an immigration law.

Let me say again to you, free trade can never bring peaceful relations between nations standing alone. Free trade must be accompanied by the free movement of people which is the second book in the series of the boys who promote the so-called free trade theory, written by Henry George. You must have the free movement of peoples and what proves this beyond anything else is the fact that the Common Market was stalemated, it could not get anywhere and had become stagnant in all of its operations until they decided that they must have the free movement of peoples, the same, identical, basic principle involved in the declaration of freedom of trade and movement of peoples by the early Colonies as they declared themselves States.

All of us must recognize that for 150 years we were not isolationists as some profess we were. We were friendly with every nation on the face of the earth.

At no time in the 150 years of our so-called protectionism did we have any kind of an argument with any country on the face of the earth based upon trade relations. The history of trade is this—and I could prove it right now if I had the time. Year after year from 1900 to 1961 there has never been more than 1½ percent difference in the import-export ratio of the United States as against its gross national product. At any time during those years, except in the years of temporary dislocation in the Great Depression all over the world and the war years that this country has been in, that has been true. It is not a question here of saving the big people. This is a big industry bill. I predicted 4 years ago that those who opposed the 4-year extension would soon change. Why? Because they moved their productivity overseas.

Mr. Chairman, I believe in trade, but not trade for trade's sake. I see no value in trade that destroys or in any way depreciates a nation's economic sovereignty, or its ability to meet its commitments, both domestic and foreign.

I believe sincerely in foreign trade that is equitable. No trade is worth having that hurts or injures, in any way, any party to the trade agreement.

In our present plan, now before us, we are buying the proverbial pig in a poke in title 1. We agree to cut tariffs to the zero point in any trade item where the United States and the Common Market hold an 80 percent of the total trade between them.

Let me point out three serious conditions that arise if this legislation passes, as now presented:

First. No person or group of persons, especially this Congress as a unit, can at this time say what the makeup of the Common Market will be. Will it be the present six-nation, Rome compact? Will it be seven nations, including Great Britain? Will it count the partnership nations alone, or will it include Greece, Turkey, and the Outer Seven, even if they are only limited partners in the trade pact? Will the 80 percent of world trade be based upon that trade that flows in and out of the free world exclusively, or will the Common Market's share count their trade with the Red bloc? These questions should be answered before any decision can be made intelligently on this phase of any trade program which commits this country for a minimum of 5 years.

Second. Will Great Britain drop its Commonwealth preference agreements, and then, under our favored-nations clause, the British Commonwealth countries get the same zero tariff agreement given to the Common Market by the United States even if Great Britain closes the door upon their former associates' trade concessions? If this bill passes with this title as now written, the U.S. negotiators will be in a position of being mandated to cut tariffs to zero, even if the United States is responsible for only 10 percent of the 80-percent total trade controlled by the United States and the Common Market countries.

Third. With the across-the-board privileges given under this bill, it can well mean that almost every trade item in the consumer field, office equipment, farm machinery, construction equipment, machine tools, all nonsubsidy-supported farm products, all wearing apparel, leather goods, all automobiles and trucks, plus other items too numerous to mention, but especially sugar-based products such as candy, sirups, and jams and jellies will be on the free list.

At this point I doubt if any great number of Members can testify as to the effect of this legislation upon their respective districts to the point of gambling their future politically upon their analysis. This I am prepared to do. The bill I introduced yesterday (H.R. 12300) for the House to consider is, of course, precluded from consideration by the rule handed down from up above in the Rules Committee. In the main, it calls for three safeguards, two of which are demanded by labor as essentials if their support is to be given to the legislation. The three changes from the bill under discussion, contained in H.R. 12300, which I have sponsored, are as follows:

First. Customhouse parity: Under this amendment the President of the United States would be granted the power and the authority he is asking for to reduce tariffs 50 percent, or to eliminate tariffs when they reach 5 percent. However, certain procedures and conditions must be met before the President's recommendations can be put into effect.

No recommendation for the lowering or the elimination of any tariff rate, or other restrictive covenant on trade, shall be put into effect by the President until a parity has been reached with the country or area, or group of countries, that are part of the agreement. This means that any charges, in whatever form, that may be against American imports into these nations, shall not be greater than charges made against imports into the United States from these nations.

This puts equality into the tariff structure, and will eliminate all forms of restrictive covenants which, all too often, have been used to replace tariffs when such tariffs have been reduced through bilateral agreements. It will eliminate quotas, licensing, restrictions, currency manipulations, export controls, and customhouse compensating taxes, except when the compensating tax is used under the provisions of recommendation No. 3, which will follow.

Second. Peril point: After the President has announced a new tariff regulation, there shall be a period of 60 days for appeals before the Tariff Commission by affected domestic interests. If the Tariff Commission finds that there is no reason to believe such rates to be disadvantageous to the domestic interest, they shall go into effect within the 60-day period.

When the Tariff Commission finds there is reason to believe such rates to be disadvantageous, they shall not go into effect. The Tariff Commission's decision is only appealable by the President, to Congress. Congress, if in session, must make a decision within 30 days after the appeal is made, and when

the Congress is not in session, the power and authority to make this decision shall be placed in the House Ways and Means Committee. The decision of the Congress, or the Ways and Means Committee, goes into effect within 30 days after the appeal is made.

Third. Escape clause action: After a tariff rate has been in effect for 6 months any American interest that deems itself to be at a disadvantage because of an adverse impact by tariff rates, may appeal for escape clause action to the Tariff Commission. Escape clause action must be restricted to the cost of production of the product or products involved in the appeal.

The consideration of the cost of production shall cover taxes, labor costs, raw materials, services, and research. The cost of production shall be based upon the f.o.b. platform cost and point of production, as compared to customhouse price of an import. Where the Tariff Commission finds that the disparagement between the cost of production and customhouse price disadvantageous to American interests, a compensating factor shall be applied to the import, bringing the customhouse price equal to, but not above, the cost of production of the American product.

All funds collected by the customs bureau, after deducting cost of operation of the customs bureau, shall be put into an international common development fund, by agreement with other trading nations, using the same principle of free trade embodied in the compensating factor formula. Said funds to be used for the advancement and development of the underdeveloped countries and emerging nations. Said fund to be administered by representatives of all participating countries. Under this formula, the market places of all trading nations in agreement will be opened to the product of other nations on a truly fair trade basis, based upon quality and demand, rather than incremental pricing or dumping.

This program is truly in the interest of the free movement of goods on an equitable basis. This will tend to decrease the incentive to trade based upon the exploitation of low paid workers and subsidized industries, Government trading cartels, world wide trusts, and monopolies—and will, in fact, tend to increase the ability of each industrial nation to consume more of their own production.

It will protect the high economy against the dumping of goods produced in low economies and will protect the low economy against the dumping of goods made in mass production industries. Trade, as such, is only mutually profitable when it is equitable.

In the main, these are the changes and recommendations that would make H.R. 11970 a forward looking legislative act that will build a firm foundation, economically, politically, and diplomatically, in the free world.

No nation can afford to have unemployment when such unemployment is beyond its control and outside factors create a climate in which domestic investment cannot be rewarded with a reasonable profit and where domestic labor is subject to the pressures of wages paid in foreign countries and where domestic taxes contribute more to the cost of the production of a product than they do in a competing industry.

Trade, without the compensating factors to equalize these fixed cost and ingredients of production, will tend to destroy a nation that ignores the exact science of economic history as shown both here in our Nation, as well as in international production, that production will flow to the low cost producing area and trade will flow to the high income markets.

Mr. Chairman, the time is here when we must make a decision on the program this Nation will follow in its international trade relations.

I say "program" because I find little difference of opinion or purpose with a proposal for an expanded trade program. I do, however, find a great deal of difference of opinion in the plan advocated for the advancement of this goal.

Inasmuch as our study on the impact of imports and exports on American employment was based upon the job economies of trade, I shall, in the main, refrain from more than passing observations on the phases of the trade proposal, H.R. 9900—now known as H.R. 11970—that affect the political or diplomatic phase of the proposal before us.

I may cover some facts already known to all of you. I shall, however, try to give you the information and conclusions as they developed in our hearings.

Is nationalism bad and outmoded in today's world? This question must be answered before we can really establish our position in the problems presented by this new trade proposal. No one can live alone we are told. This may be as true as life, but it is equally true that one must first be able to live for his own well-being, before one can live for the well-being of others.

If a man cannot swim, can he save the life of a drowning man by simply jumping into the water?

I believe in nationalism because, without it, there is no sound base for internationalism. If we fail to take pride in our own achievements, our ability to survive and maintain our independence, how can we appreciate the independence and well-being of others. If nationalism is bad for one nation, is it not equally as bad for a combination of nations, no matter what you call the combine?

One of the prime examples of nationalism is the country of Switzerland, where poverty is as scarce as extensive wealth. Public servants from the top to the bottom are public servants.

While in Switzerland, I made it my business to talk to persons in every walk of life at every occasion. I found an astonishing singleness of purpose, an amazing unanimity of opinion on such controversial subjects as trade and aid, Russian expansion, U.S. world leadership, the whole gamut of the world's everyday problems.

One thing that is sure, every Swiss is for Switzerland first, last, and always.

If you think that any Swiss would promote or advocate any legislation or government proposal that would—under any conditions and for any consideration—give an advantage to any other nation, developed, underdeveloped, emerging, or full-grown, over the Swiss nation, its industries, its commerce, its trade, its job opportunities or its financial institutions, you would be 100 percent wrong.

They take most things in their stride just about like we did in America for 125 years from the Declaration of Independence to the Spanish-American War.

They are realistic in their approach to their own, as well as to others' problems. They are not panicking over someone wanting their gold and believe me, they have more of it per capita than any other nation on earth.

Although we have been ridiculed out of the belief that we are a free and independent country, the Swiss still maintain Fortress Switzerland.

They have to import about every raw material they need. They pay wages from two to four times as much as any other European nation and—all things considered—come closer to our standards than any nation except perhaps our neighbor to the north, Canada.

In spite of needing the world's products, no group in Switzerland would dream of promoting trade legislation granting concessions on the grounds that they must buy their way into world markets or into the good graces of peoples and nations. To them, trade is a commercial venture and is treated as such.

Certainly they bargain, certainly they give and take, but strictly on the commercial merits of the deal or treaty. Never do they let the will of the wisp of foreign trade cloud their visions to the realities of life.

Diplomacy and political consideration must be separated from the economics of world trade when it comes to the dollars and cents, the production and payrolls of the American peoples.

This is a far cry from a program which has as its main arguments and logic, the catch phrases once reserved for selling soap and cigarettes.

We are being led into a self-sacrificing international trade policy based upon slogans, posters and cartoons.

We are told we must trade or fade.

We must buy so we can sell.

If we do not trade, we will not have coffee, tea, or nuts.

We cannot have autos, radios, TV's, ornaments, unless we trade—at a loss.

If we do not pass a free trade bill, the Communists will take over.

Our friends will leave us unless we give certain trade agreements; unless we give them concessions.

Free trade will solve our economic problems.

We export more than we import, so why should we not be for free trade?

Free trade is the answer to the world's problems.

We need friends to help protect us; we can only get them through trade agreements in favor of other countries.

These are just a few of the many arguments tossed about by the proponents of free trade with about as much regard for the facts as a horse better who picks

a horse to win because of its name or a number player who believes in dreams.

I believe the best analysis of the Swiss attitude toward our policies can best be described by the following interview between an able American newsman and a Swiss citizen:

I have yet to find a single Swiss banker or businessman who does not have a warm feeling for the United States. But at the same time they more realistically appraise our future than most of our own economists or partisan politicians. And their estimates present a gloomy outlook for the future. A director of one of the greatest banking institutions in this country set forth his misgivings on America's future financial structure:

"You are still the richest country in the world," he said, "not only in raw materials but in inventive genius, know-how, and daring. But at the rate of your expenditures for domestic progress, defense, and particularly your indiscriminate desire to help the rest of the world—regardless of its desserts—you will not be able to continue to discharge this self-imposed obligation without serious consequences. The gold outflow should be a real warning.

"Your rate of taxation—direct, indirect, and invisible—has not yet reached the saturation point, but you are not far from it. Since it is obvious that all your political men are pledged to the continuation of this role of the world's good Samaritan, I cannot see the end of these expenditures. Even in the highly problematic circumstances that there may be a lessening of the arms race, you will be compelled by drastic economic necessities to divert the billions you are spending on defense to social works. This means the burdens of taxation will continue.

"The outflow of gold is continuing at a more alarming pace than the average American citizen and even your lawmakers realize. In order to provide the huge amounts needed for social engineering and increased help to the underdeveloped countries which would follow the highly unlikely slowing down of the arms race, you will have to increase the taxation of every American—from factory worker to the man living on modest retirement and the coupon clipper.

"Despite your present efforts, it will be difficult for you to regain your position in the world markets because of the high and increasing cost of production. You will continue, of course, your democratic form of government, but don't forget history. There have been many instances when the tax collector has become more of an oppressor of the people than the secret police in a dictatorship. In order to gather the necessary funds to continue your gigantic self-imposed task from cradle to grave the income tax collector will become more arbitrary and increasingly consider the taxpayer as a lemon which must be squeezed to the last drop. And in the long run, this will cause you serious trouble."

The one thing that should cause alarm in this country is the apparent cold-blooded attitude toward workers and their families, their homes, their communities and neighborhoods.

When we promote legislation that spells out the destruction of our industry to help another industry and its workers to profit and prosper, we seem to forget completely that none of us has a right to say that one man's job is to be sacrificed to benefit another.

We talk of aid to industry as if we are in possession of some secret process or product that we can start to produce exclusively and thereby guarantee the new industry and the newly trained worker permanency of position.

Even if we had something like this up one sleeve, we still have not the right to say to a glass worker, "Your job is to be sacrificed so that a cotton worker can prosper."

I have watched coal towns die; I have watched my glass workers out of work more days than they worked because of imports. It is no secret that I started to work in a glass plant as a carryover boy at the age of 11. I am sitting in on the killing of the tool steel industry, the housewares industries, American ceramic tile and tableware, chinaware and sporting goods are being pushed off the American shelves just as fast as foreign countries can meet our enormous demands.

Without restraint by some Americans who believe in being American, buying American-made goods, and the inability of the foreign sources to provide our needs, we would have been swamped long ago.

Tariffs are not the answer. In a sense that is true. However, what are tariffs? We Americans think of free trade as a tariff-less commerce between nations. We consider tariffs to be the charges made at customs but tariffs take many forms. Reasonable tariffs are nothing but compensating factors, equalizing economic conditions.

Even in sporting events, handicapping is essential to the success of the sport. Horses may all be thoroughbreds, but weight allowances and handicapping make the race possible. You never hear of a $5,000 horse racing against a $15,000 horse—in the same race—without compensating factors, so why should a $3.85-an-hour U.S. workman be pitted against a 35-cents-an-hour foreign worker in the same marketplace without compensating factors?

Call the factors what you will, but in the end results, they are all tariffs.

For instance, recently, the Canadians devaluated their dollar. It was worth $1.04 against our U.S. dollar. Why? Its no secret, the Canadians publicly stated that they devaluated their dollar to increase exports and to decrease imports.

Here is how it works. A Canadian exporter sells an American a $10 item. The American buys it for $9.25 (U.S.)—a bargain in dollars and cents. An American sells a $10 item to a Canadian and the Canadian has to pay $10.75—no bargain for the Canadians.

By simply changing their currency value of exchange, they put a tariff on U.S. goods and create a subsidy on Canadian goods. Before the currency manipulation it would have cost the Canadian only $9.60 for a $10 item from the United States, and the United States would have had to pay $10.40 for a Canadian $10 item. The American people are not told these things.

Again, let us take the tariff picture on shoes. We buy shoes from France. We pay $10 a pair for French shoes, send them to the United States and pay an average tariff of 16.7 percent, or $1.67, making the total price for French shoes $11.67. In the U.S. Customs Office you pay the $11.67, and take the shoes.

We sell a pair of $10 shoes to a French customer. At the French customs office the French put on the transportation from the United States, plus the shipping insurance, or about 25 percent of the sales price for an additional $2.50, making the U.S. shoes cost $12.50, before tariff is added.

At this point the French add on an average tariff of 24 percent or $3, making the customshouse price $15.50, for the U.S. $10 shoes.

Now comes the tariff bite that does not enter into our calculations in our tariff negotiations. The French then apply a compensating factor to make up for French costs of production based upon domestic taxes for Government operations. This adds another 23 percent on top of the cost, insurance, and transportation, plus tariff, or an additional $3.56—raising the price to $19.06 for U.S. shoes as against $11.67 for French shoes. This is true in one form or another in most trading countries. Especially so, when the products imported are in competition with domestic goods.

We seem to have a completely different view of trade than the rest of the world. We do not seem to understand the difference between trade and diplomacy, economic stability and political expediency.

The basis for free trade or any other trade has to be equity. That is why I have proposed and will continue to fight for equity and parity at the customhouse. I believe in equity in all things. Free trade, like free enterprise, must be equitable. If we applied the principles advocated by the free traders to our production economy, we would end up with a few monopolies running the whole country.

This Nation cannot survive in a competitive trade war with either friends or enemies unless we insist upon parity for our goods exported, equal to the charges against foreign goods imported.

My plan would not hamper free trade, it would promote it. It would remove the most dangerous elements contained in the proposal before Congress since it would curtail profiteering in trade at the expense of exploited foreign labor and displaced U.S. labor.

Unless all Nations protect their "built in costs of production in their own domestic market places, we will start the greatest trade war in history, involving run-away investments, exploitation of workers, tax dodging, arbitrarily fixed currencies, quotas, licensing of exports and imports, and finally a demand for the free movement of peoples as well as goods.

We found this out early in our history and of recent date, the European Common Market found it out also. It means the end of immigration laws as we now know them. Ultimately, peace will come from the free movement of peoples, as well as goods. Both must come by evolution, not revolution. This may or may not be desirable, but at least we should know that it is inevitable.

Another argument advanced by the importers and foreign exporters is that it gives competition to U.S.-made goods and provides our U.S. consumers with

bargain prices. It depends upon where you are sitting.

If you are sitting in a political executive position or a civil service position, your chances of losing your job to imports are nil. Insofar as you are concerned personally, it is a bargain to get a foreign car for 60 percent of the cost of the American-made car, or shirts from Hong Kong, china from Poland, and silverware from Japan.

However, what kind of bargain will it be for the U.S. autoworker if he buys a foreign-made car, or an American shirtmaker, chinaware worker, or a silversmith when he saves money buying cheap-labored foreign goods while his products stack up in the warehouses?

Of course, we only preach this philosophy for manufactured goods. We do not allow the flour mills in the United States to buy foreign wheat for 60 cents less a bushel; we do not allow our textile mills to buy cotton at world cartel prices of $42.50 less a bale than our Government-fixed price.

If this is sound policy, why do we exempt certain products, certain industries and certain areas from the much-heralded benefits of this new trade bill.

If the automobile industry wants free trade, give it to them, but why force others to take it? Next years cars. Why? We reduced the foreign car from over 10 to about 5 percent now?

One result of our past policies has been a competitive price war that has caused two very severe impacts upon our economy. We have been forced to automate and to cut quality to meet cheap labor prices. Both cost jobs.

Automation is only good when the production is needed. It adds nothing but misery, unemployment, reduced investor dividends, monopolies, and trusts when we automate to produce goods already in oversupply in the consumer market.

The best illustration of this is our mounting farm surplus. We pay farmers for not producing on 36 million acres through our soil bank program; at the same time in beef import-export balances alone, we displace production of 42 million acres by imports over exports.

We do sell more wheat than we buy simply because we have import restrictions. At the same time, we sell our wheat in the world wheat cartel for 60 cents a bushel less than it costs us to produce it. I understand this has been reduced to 48 cents as of March 12, this year, because of a cartel agreement entered into with wheat surplus nations.

According to the Wall Street Journal, we talked the wheat cartel into raising the price of wheat 12 cents a bushel, cutting our subsidy by about $80 million. We seemed to have forgotten about the added costs to the world wheat consumers and the added profit of 12 cents a bushel to lower cost nations.

I leave it up to you to figure what will happen if H.R. 11970 passed and was put into effect. We would cut out all tariffs on most of the world trade consumer goods manufactured. We would put a $2.86 an hour worker in the United States in direct competition with a 35-cent-an-hour Japanese and an 85-cent-an-hour Common Market worker, fringes included—Department of Commerce and U.N. figures, U.S. News & World Report.

Without compensating factors at the customhouse, based upon costs or production, we will have to set up world trade price fixing, in every competitive line or watch our economy wither and die in the next decade.

I have searched everywhere and have racked my brain trying to find a reasonable interpretation of our Constitution and my concept of our way of life for an excuse to vote for legislation that would deny an American investor or an American worker his day in court when his life's earnings and his means of earning a livelihood were being threatened. The history of the peril point and escape clause actions of the present law, let alone the new proposals, certainly cannot be considered as a day in court, an equitable court.

The peril point must not only be retained, but it must be strengthened if it is to be of any value.

For this reason, my amendment to the peril point section gives at least a limited time for appeal and decision, without in any way impairing the powers of the President to negotiate and propose tariff cuts.

This, added to the escape clause section, is necessary if we are to really promote free and equitable trade between nations.

As each nation becomes more industrialized and more productive, in both manufacturing and agriculture, these safeguards will become increasingly more important.

Without restrictive covenants and with unworkable executive powers we abandon the area of legislative restraint, we put more lock, stock, and barrel profiteering into the operation of our trade economy by exporters and importers.

With all due respect to our present Chief Executive, and I have the greatest respect for the President and his profound knowledge of this problem, I realize that some unyielding and ambitious person might well cause irrevocable harm to our economy before relief could be obtained through congressional action if we allow this legislation to pass without amendment.

Unless we write into the law specific steps and restraints, we may well be compounding injuries already sustained by many industries. Here are two examples of the weakness of the present and proposed peril point and escape clause sections.

Last year hearings were held by the Tariff Commission on raising the quotas on blue mold cheese. After deliberation and factfinding, the Tariff Commission voted not to increase cheese quotas.

Recently, without further hearings or new evidence called for, the President—by Executive order—raised the quota by 840,000 pounds per year. This was done in spite of testimony last year by the Agriculture Department showing the far-reaching damage to the dairy industry, the feed grain program, and the American cheese industry.

The second case in point is flat glass. After years of bitter complaint by the industry, the Tariff Commission in the face of overwhelming proof of serious injury, advised tariff increases wiping out practically all the tariff cuts of the last 20 years under reciprocal trade legislation.

The President turned the recommendations down by asking for a review of the facts. After months of delay, the Commission again recommended increases.

Exporters, particularly Belgian, have protested by going so far as to threaten reprisals. In this, they are joined in a combined effort by the Common Market. Out of London comes a story that again shows the nationalism and commercialism of trade. The English protest our tariff increase because of the fear of flooding their own markets by the surplus Belgian glass.

The President finally approved the tariff increases. Before they could go into effect, the President ordered a delay of 60 days. Now we read in public print that the drive by the exporters is mounting and there is a possibility that the increases will not be granted.

The Tariff Commission's recommendations were based upon the cold facts of economics. The Executive decision appears to be influenced by the demands of diplomacy.

From hearings and evidence, it was developed by our committee, that we imported twice as much window glass in 1960 than we used in the whole Nation. The flat-glass industry on its own has no reason for existence if the criteria for competitive trade under H.R. 11970 is to become the law.

We have a reasonable and understanding President. The pressures built up in commercial trade channels are beyond the solution by diplomatic or political equations. How many Members of the Congress would vote for this legislation if the last word and all the power contained therein, were turned over to George Ball, Charlie Taft, Secretary Dillon, or any of many proponents of unrestricted free trade.

Does this not point up the need for covenants in the law that will keep our three branches of Government each within its own sphere of constitutional duties.

Theory is necessary and reform is inevitable. Both, however, must be based upon the ability to perform and to comply with the new order. History has accorded the greatest honors to those who fought for the rights, freedoms and privileges of the little peoples. Property rights are necessary to a civilized society, but even so, they must necessarily be second to the rights of man.

Are we moving forward in the new world ahead of us, or are we moving backward in our concept of world economics. Throughout this proposal, H.R. 11970, we find that the ability to compete internationally is the criteria for the right to work or to produce for world and domestic consumption.

This was the Old World concept for economic action, up until the bold breakthrough of demand for labor justice,

when Cardinal Manning joined a picket line in England. This Catholic prelate found a hard hitting, courageous ally in the United States in the person of a leading Methodist, John P. Algeld, later to become Governor of Illinois.

The concept of economic action at that time was a naturalist one that denied any relation between economic activity and morality.

At this period in history, the encyclical of Pope Leo 13th appeared on the scene. It spelled out the needs and rights of the little peoples, the workers, as well as the rights and responsibilities of property. In part, the Rerum Novarum contained the following observations and pronouncements, equally true today as they were then, and I quote:

We approach the subject with confidence and in the exercise of the rights which belong to us. * * *

To you, are well known those basic principles. * * *

According to which the economic-social sector of human society should be reconstituted.

They first and foremost concern work, which ought to be valued and treated not just as a commodity, but as an expression of the human person. For the great majority of mankind, work is the only source from which they draw means of livelihoods and so its remuneration cannot be left to the mechanical play of market forces.

Instead, it should be determined by justice and equity, which otherwise would be profoundly harmed even if the contract of work should have been freely entered into by both parties.

This is why we find poverty in the midst of progress in our day and age.

We judge it, therefore, to be our duty to reaffirm once again that the remuneration of work, just as it cannot be left entirely to the laws of the market, so neither can it be fixed arbitrarily. It must rather be determined according to justice and equity.

This requires that the workers should be paid a wage which allows them to live a truly human life and to face up with dignity to their family responsibilities, but it requires, too that in the assessment of their remuneration regard be had to their effective contribution to the production and to the economic state of the enterprise and to the requirement of the common good of the respective political communities, especially with regard to the repercussions on the overall employment of the labor force in the entire country.

An American worker actually contributes more of his wage to the community than a foreign worker earns.

It is clear that the standards of judgment set forth above are binding always and everywhere, but the degree according to which concrete cases are to be applied cannot be established without reference to the available wealth which can vary in both quantity and quality which can, and in fact does, vary from country to country and within the came country from time to time.

Secretary Goldberg said it in different words when he said wage levels could not be the same since not all employers started with the same ability to earn profits.

There are also demands for the common good on the world level: to avoid all forms of unfair competition between the economies of different countries, to encourage with fruitful understanding collaboration among these national economies, to cooperate in the economic development of communities economically less advanced.

Again I call your attention to the warning against trying to achieve social-economic equality in an atmosphere of trade based upon unfair competition between different economies.

The essence of the amendments I have offered is aimed at promoting the economic uplift of the areas where the unequalities of the social-economic order have created enormous wealth at the expense of the exploited workers and their families.

When a nation exports products denied its own peoples because of their low incomes, foreign trade is a blight upon the body politic in the exporting country and a deterrent to further gains in the importing country.

To show that the whole premise of the amendments offered to H.R. 11970 are aimed at protecting and promoting the well being of each individual nation I have recommended that all revenues collected at the customhouse, as compensating factors equalizing costs of production from country to country, be put into an international development fund for the underdeveloped nations.

Only by having the survival covenants contained in these amendments will the high-cost, high-economy nations be protected against the dumping of goods produced by low-paid, exploited workers, while at the same time give protection to the domestic production of the emerging underdeveloped nations which for too long have been used by the exporting nation as the dumping grounds for consumer goods produced by automation and mass production.

True equitable and expanded trade would be based upon the free exchange of needed and noncompetitive goods and upon protected costs of production in competition goods.

In order to arrive at an economic level that preserves a harmonious balance in all sections of the production facilities, the economy of trade requires a political economy that considers taxation, labor costs, selling price protection and market requirements.

This is the only sound basis for consideration of international relations in the field of trade.

It has been pointed out that the great campaign for the passage of this act as written has allowed figures and so-called facts to be implanted in the minds of the people that have little or no relationship to the economic statistics which can be misquoted and misrepresented but cannot be denied or hidden forever from view.

The first balloon we must break is the much publicized trade balance. It has been said time and again that our export balance is $5 billion in our favor.

This sounds good and can be put in the same category as the TV advertisement that promotes the universal acceptance of a particular drug because it has been endorsed by five New York doctors.

The truth of the trade balance is this: We exported $20 billion, we imported $15 billion. We actually gave away 30 percent of our exports, or $6 billion worth, leaving a balance of $14 billion. Out of this amount we, aided by loans, barter, and other export deals in providing the incentive and wherewithal for roughly $4 billion of actual sales in exports against a total of $14 billion. The $5 billion figure of surplus exports is as fictitious as a three dollar bill insofar as its relationship to foreign produced U.S. jobs.

The gold balance was a net loss of $3.5 billion in spite of almost a $1 billion repayment of overdue loans by West Germany and Japan.

If this Nation falls for this set of figures, it will be repeating the same mistake made in 1958 when Congress passed the 4-year extension of the trade bill based upon the 1957 export figure of $21 billion. We never came near that figure before or since until it was necessary to get a favorable trade balance in 1961 in the interest of passing H.R. 11970.

It may interest this Congress to know that the percentage of trade to our gross national product have never varied more than 1 or 2 percent except in years of emergency and unusual temporary conditions.

This will be true again unless we have our front doors open and our rear doors unguarded.

The real danger lies not so much in the total of exports and imports, but in the change in character of the products traded.

We have made almost a complete shift in our export-import products. For years up until 1958 this Nation imported roughly 65 percent of raw materials and about 35 percent manufactures and semimanufactures.

This has changed and we now import consumer goods and other manufactures and component parts at about a 2-to-1 ratio.

This means a loss of U.S. jobs and an export business of raw materials, lumber, cotton, farm cereals and grains, coal, specialized ores and manufacturing machinery, airplanes and other items not yet produced by competing countries in sufficient supply for their own uses as well as export trade. Our greatest export has been in machine tools.

Soon this field of machine tools and agricultural products will be lost to our Nation and unless we recapture our own market we are headed for economic disaster measured in loss of human dignity in the rank of the displaced workers. See attachment, next page.

So much for the trade balance. Let us look at the public release on the employment figures:

The Labor Department claims 4 million jobs for U.S. workers from exports.

The Commerce Department claims 6 million jobs in U.S. industry from exports.

The Import Council claims 12 million jobs in U.S. industries from exports.

All sources and authorities claim a loss of jobs running from a mere 200,000 to 400,000 from the impact of imports.

Facts do not substantiate these figures. There are less than 17 million workers in all U.S. industrial production. There are 67 million income earners in all walks

of life in our economy. Our own Department of Commerce claims only 4 percent of all our business entities engage in exporting.

There are less than 17 million workers in the manufacturing industry. Even if we give credit to exports for $10.5 billion we only show 6 percent of our gross manufactured product as exports. Six percent of total employment in industry would give credit to exports for 1,020,000 jobs. Using the chamber of commerce ratio of 176 jobs created in other industries and services for 100 jobs in manufacturing, we find that a total of 2,754,000 could be credited to exports.

By the same token, our imports of manufactured goods and semimanufactured goods total approximately $9.5 billion or a job loss using the same ratios and percentages of roughly 10 percent less than jobs gained, or 275,000 jobs.

This equation disregards the job displacement on a basis of labor content, although for every dollar of labor content from Europe, we lose $3 in American wages and for every dollar of Japanese import labor content we lose $7 of American payroll dollars.

Looking at it from another angle, if we give full credit to the 4 percent of gross national product to exports and 3.2 percent of gross national product to imports, we find that exports create eight-tenths of 1 percent more total jobs in the gross national product than imports.

This means that eight-tenths of 1 percent of the 67 million income earners, if they all had a stake in exports, would show 476,000 jobs created by exports. This includes all workers in all jobs all salaried, commissioned, Governments, farm, public officeholders and all income earners from whatever source their income can be traced.

This is a far cry from the 4 million jobs claimed by the Labor Department, 6 million jobs claimed by the Commerce Department, and the 12 million jobs claimed by the Importers Council.

Again these figures are heavily weighted in favor of exports since the relationship of our low labor content exports as against high labor content imports makes job ratio comparisons, measured on a dollar volume, a little ridiculous.

In fact, if you find time to read the report of the Committee on the Impact of Imports and Exports on Employment, you will find the job lag in the United States traceable directly to job displacement by imports and indirectly to imports because of the acceleration of the program of industrial automation caused by the demand for cheaper produced U.S. goods to combat low-priced imports.

We must realize that in dollars it looks like jobs are created by exports over and above import losses. However, when you measure the volumes of import goods as against export volume, you get a different concept of job equations.

Imports from the Common Market contain labor at one-third American labor costs. Imports from Japan contain labor at one-seventh our labor costs.

We export high costs, low labor content goods, and import low costs, high labor content goods.

Study shows that about 50 percent of manufactured products is production labor.

Using this as a base, for every billion dollars of labor content imported from Europe, we displace $3 billion of U.S. paychecks.

From Japan, the ratio is $7 billion lost wages for every billion dollars of import labor content.

In plain words, this means a displacement of paychecks, the seed money in our economy, that creates the high incomes, taxes and purchasing power beyond the world economic level.

Our own Government recognizes these facts in the matter of Scotch Whiskey imports. Although Scotch is an exclusive noncompetitive product since we do not produce Scotch, the U.S. Government charges a compensating factor at the customhosue equal to the distilled spirits tax on U.S.-produced liquor.

If this is necessary to protect Government revenues, why is it not sound and equitable to protect worker's payrolls and investor's incomes?

This Wall Street Journal has this to say on the tariff cut threat:

TOOL TACTICS—MAKERS EXPAND ABROAD TO MEET RISING DEMAND, U.S. TARIFF CUT THREAT—MORE MAY SHIP TO UNITED STATES FROM FOREIGN PLANTS; OPERATIONS CURBED HERE AS ORDERS FALL—TRECKER SEES MANY FAILURES

(By David C. Smith)

CLEVELAND.—Some of the Nation's machine tool builders are curtailing and expanding operations simultaneously.

Significantly, the curtailments are at their plants in this country, where business has been lagging, and the expansions are at their plants abroad, where it is strong. The tool makers' moves are largely to gear production capacity to demand. But they also reflect increasing pressure, partly supplied by the Nation's move toward freer trade, on U.S. companies that operate abroad to do more of their manufacturing there, even of products to be sold in the United States.

Machine tools, used to cut and form metal into products, sell best when big metalworking industries, such as automobiles, are expanding. U.S. machine tool companies were pushed heavily towards oversea expansion in 1957 and 1958 by the collapse of their domestic business. Shipments of cutting tools (on which statistics are more accurate than on forming tools) plummeted to $455 million in 1958 from $879 million in 1957. The main reasons were that the U.S. auto industry had largely completed its big postwar modernization and decentralization drive, military emphasis was shifting away from mass-produced items, and the use of plastics and other nonmachined materials was rising.

HALF NOW HAVE TIES ABROAD

Recognition that Europe, Japan, and some other lands still were in the midst of big metalworking expansions, and also fearing Common Market trade barriers, U.S. tool companies hurried to set up shop abroad. Many acquired or built plants, bought interest in oversea firms, or signed licensee agreements. The National Machine Tool Builders Association (NMTBA) estimates that companies representing 50 percent of U.S. machine tool dollar volume now have oversea ties.

The oversea demand as heavy enough that the companies were not only able to operate their foreign plants at capacity but also received a much-needed increase in foreign orders at their American plants. Last year, the value of foreign orders comprised 31 percent of the total received by plants in the United States compared with 10.8 percent in 1957.

But after hitting a record $21 million last September, foreign orders have begun to declined as oversea plants have cut waits for deliveries. In February, foreign orders fell to $7.6 million. While they climbed to $9.7 million in April, a poll of 300 industry executives at a National Machine Tool Builders Association meeting in Chicago recently turned up none that expect monthly foreign orders to rise much above the $9 million level during the rest of this year. Many oversea plants now can make deliveries in a year or less, compared with 2 years in 1960: this gives plants in the United States, which can deliver in 4 to 6 months, less of an advantage.

Moreover, foreign producers now are out searching for business. Japanese builders have set up a Japan Machine Tool Trade Association with offices in Chicago and Dusseldorf, Germany. Japanese tools were displayed at a recent Cleveland trade show sponsored by the American Society of Tool & Manufacturing Engineers. Their makers were Mitsui & Co. and Hitachi Seiki. A Mitsui representative says his company is shooting for $1.5 million in U.S. sales this year and $6 million by 1963.

EUROPEANS SEEK U.S. OUTLETS

"More and more European machine tool builders have been on the prowl for U.S. distributors in the past few months," says Thomas Rudel, a New York City tool distributor, James C. Kelley, executive vice president of the American Machine Tool Distributors Association in Washington, says the 200 members of his organization have reported an upsurge in European builders seeking outlets in the last 4 months.

U.S.-made tools have enjoyed a quality advantage over foreign makes but some U.S. executives say that is being narrowed. "We've lost the technical edge to some degree already," says E. M. Hicks, vice president and general manager of Norton Co., a Worcester, Mass., producer. National Acme Co., a major U.S. tool producer based in Cleveland, recently bought an $80,000 Swiss-made boring machine for its own plant because it was thought to be superior to U.S. models.

So far, imported tools have made no serious inroads into the U.S. markets. For several years imports have held fairly steady at about 5 percent of U.S. sales. But some producers fear that President Kennedy's proposed trade bill, now before Congress, will raise the level. The proposed bill would cut the present 15-percent tariff on machine tools to 12 percent initially and eventually to zero.

HEAVY FAILURES SEEN

One who foresees a rise in imports is Francis J. Trecker, who is president of both Kearney & Trecker Corp. in Milwaukee and the National Machine Tool Builders Association. "I may be pessimistic," he says, "but it seems to me that half of the existing machine tool companies in this country are likely to go under." These companies represent about 10 to 15 percent of industry volume, he estimates.

Kearney & Trecker has been approached by a dozen smaller companies that are seeking an alliance with bigger firms, says Mr. Trecker. "Most of them are manufacturers of standard machine tools, though, and we have been trimming our line of these products." The standard tools, such as drills, lathes, and milling machines, are simpler in design than some of the automated equipment American firms produce and are less protected from import competition by technological superiority.

In competing with imported tools, American producers say their U.S. plants are handicapped by wage rates that often are three times as high as foreign rates. Labor usually represents about half the cost of a

machine tool, they estimate. Despite this handicap, some argue that their efficient production methods, high-level technology and proximity to the market would protect their U.S. market if they could maintain an efficient level of production.

But unfortunately, they say, the decline in foreign orders placed in the United States and the continued low level of domestic business is preventing such efficiency. U.S. producers are operating at only about half of their capacity here compared with 100 percent at their oversea plants. Thus, many find themselves expanding abroad and facing the prospect that rising volume and efficiency overseas, coupled with expected tariff cuts, will further widen the cost advantages of their foreign plants over domestic facilities. As that happens, it's feared the pressure to ship foreign-built products back to U.S. customers will rise, with detriment to the jobs of workers in their U.S. plants and the U.S. balance of trade.

So far there has been little of this backshipping. For one thing, the oversea plants have had all they could do to supply demand abroad. Their product lines usually are more limited than those the U.S. plants can offer and the U.S. plants can provide better service. But there already are sizable cost differences on certain tools. Kearney & Trecker reports that it can ship one machine from England to the United States, pay the tariff and install it in the customer's plant for a price of $41,000 compared with $75,000 for the same tool built in Milwaukee.

Jones & Lamson Machine Co., of Springfield, Vt., last year, along with other interests, set up a plant to make turret lathes in Belgium. It already had an English licensee. A company spokesman says, "If things get too tight to compete here, we could ship from Europe and even pay the tariff. It's more likely, though, that we would build some machines overseas and assemble them here."

"If it means survival of our business, you're darned right we'll ship to the United States from our French plant," says Julian Pease, president and chairman of New Britain Machine Co., of New Britain, Conn. Asserts Norton's Mr. Hicks: "We wouldn't voluntarily produce abroad for shipment here. But if we're pushed into it, it might be an entirely different story."

Regardless of the outcome, there is no doubt that expansion overseas is proceeding apace. The English subsidiary of Cincinnati Milling Machine Co., the biggest U.S. machine tool producer, recently acquired a 150,000-square-foot plant at Biggleswade, England, where it will make grinders and broaching machines. It also let contracts for construction of a new foundry at Tamworth. Norton Co. this year acquired a 75-percent interest in R. Woodvine & Sons, Ltd., a Shrewsbury, England, subsidiary of Asquith Machine Tool Corp., and plans to produce Norton grinding and lapping machines at the plant. Brown & Sharpe Manufacturing Co., of Providence, R.I., is adding 25 percent to its production capacity in Plymouth, England.

The French subsidiary in which Sundstrand Corp. of Rockford, Ill., owns a majority interest plans to move soon into a new plant near Paris, along with a separate, wholly owned subsidiary that makes perishable cutters for machine tools. The company says the new plant will bolster efficiency, reduce overhead, and slightly increase capacity. American Machinist, a trade publication, reports that at least two American companies are considering setting up plants in Japan, which has just raised its tariffs on imported machines to 25 percent from 15 percent.

U.S. OPERATIONS TRIMMED

At the same time, some of the U.S. companies are trying to trim down their U.S. operations so as to reduce overhead and attain efficiency at the present levels of production. Kearney & Trecker is completing a $3 million 280,000-square-foot addition to its special machinery plant in Milwaukee. It will then close two older plants, reducing its total plant space to 450,000 square feet from 725,000, its inventories by about one-third and overhead costs by an estimated $700,000 a year. It hopes to let its employment fall to 1,600 from 1,700 through normal attrition.

Sundstrand last year shut down a machine tool plant at Ann Arbor, Mich., pulling operations back to its Rockford, Ill., headquarters. American Tool Works, of Cincinnati, is spending $1,250,000 for new equipment and has cut overhead costs "to make ourselves tough, wiry, and strong to meet the expected onslaught of competition and also to work within the limits of available business," in the words of John Hussey, vice president, marketing.

A National Machine Tool Builders Association survey shows that U.S. builders boosted spending on research and development to $12 million last year from $10 million in 1960. "If we can continue to make better tools that in some way help our customers reduce their costs, we can compete," says T. A. Strimple, president of National Acme. As an example, he points to a new machine developed by his company which performs 70 different machining operations on a typewriter part.

SOME HOPEFUL ABOUT ORDERS

Some companies are hopeful that domestic business will pick up after it becomes clear what special incentives to capital spending the Government might provide industry. The Treasury Department is readying new tax depreciation schedules on some 5,000 items (including machine tools) which may enable companies to set aside larger untaxed amounts from earnings to buy new equipment. The administration's tax bill proposes an 8-percent tax credit on equipment investments made this year. The provision has passed the House, which cut the credit to 7 percent and is in the Senate.

Some tool executives doubt that these measures will sharply stimulate buying. "This is only a drop in the bucket," says Rodney H. Stebbins, sales manager of Gisholt Machine Co., in Madison, Wis. But they do observe that a lot of inquiries are coming in and predict that these may be translated to orders if the tax benefits are passed.

Mr. Chairman, some of us are often times called reactionary, isolationist, or protectionist.

It all depends upon whose ox is being bored. Almost every Member of Congress from an area affected by imports has at one time or another protested against imports.

They cannot seem to see the outcome or the seriousness of this type of legislation.

One by one all industries will come under the hammer by this process of greasing the gate that squeaks the loudest. Sooner or later we will awaken to find that we are all in the same boat.

The textile industry is the outstanding example of this type of concession in this trade fight. Public statements to this effect have appeared in much of the U.S. press.

Because of certain concessions the industry appears to be pleased and content to go along no matter what happens to the rest of us in other industries. This appearance may be deceiving since my mail is filled with worried questions from the textile industry.

The trouble that they are in for will come when their customers in my district are forced to buy cheaper textiles or none at all because their jobs have been taken by imports.

We cannot buy retail and sell wholesale and remain solvent.

This economy is based upon five pillars—investment, production, payrolls, consumption, and profit. All five are interdependent; one needs the other and each is equally important.

No better illustration of this simple economic fact that can be found than this recent story contained in the Pittsburgh Post-Gazette and in private correspondence to my office:

ROCKWELL MANUFACTURING CO.,
Pittsburgh, Pa., June 9, 1962.

FINANCIAL EDITOR,
Pittsburgh Post-Gazette,
Pittsburgh, Pa.

DEAR SIR: In the financial news columns of the Pittsburgh Post-Gazette, it was reported on June 7 that the U.S. Navy had purchased 3,500 tons of steel in West Germany "at 30 percent below similar bids from our domestic steel companies," with a resultant saving to the Government of $153,000. From the description of the steel, the bids by U.S. companies must have been around $700,000, while the 30 percent lower German bid was around $490,000, so there must have been some other costs not included in the Navy statement that $153,000 had been saved to the Government.

If a $700,000 shipment had been added to our gross national product, 35 percent of that sum (or $245,000) would have been used to pay our local, State, and Federal taxes, which sum would have been collected from the steel company which received the order, its employees, its sources of supply, such as the coal mines, iron ore mines, etc., and the services, such as the domestic utilities and the railroads. The workers employed by the suppliers and services (including all Government services), would also receive several hundred thousand dollars in wages, part of which would have been applied for their social security funds, pensions, etc., while any domestic unemployment resulting from placing this order abroad will decrease the income of the social security and pension funds. The loss of the order to domestic mills and the placing of the order in West Germany will increase very substantially the unfavorable international balance of payments which our Government is trying to avoid, to pare our losses of gold.

The chairman of the United States Steel Corp. has said that 75 percent of all his corporation's income is returned to workers in the corporation and the suppliers of material and services which are furnished to the corporation, part of which goes for local, State and Federal taxes. In view of these obvious losses to the Government and to the wage earners of this country, it would be most interesting to learn how the Navy has decided that $153,000 has been saved by the U.S. Government, not to mention the loss of national prestige.

Sincerely yours,
WILLARD F. ROCKWELL,
Chairman of the Board.

Mr. Chairman, recently, in the Pittsburgh Press, the following statement appeared:

Our city depends on labor for its economic existence. The bulk of the breadwinners in this district tend blast furnaces, mine coal, mold glass, participate in occupations which are dependent on these industries.

We are not an area of white-collar workers. We do not have the broad harbors of the

coastal cities, nor do tourists flock to see the sights of our town.

Without industry, Pittsburgh as a bustling metropolis would cease to exist.

But we are in the precarious position where most of those employed derive their income from industries that today are threatened with increased competition and higher costs.

This pretty well sums up the national problem we face when we discuss jobs and trade. As Members of this Congress you can understand why I am so disturbed over the publicly announced statements by officials of our Government that certain industries are expendable and must be sacrificed to what President Roosevelt called "the will-o'-the-wisp of foreign trade."

Let me assure all of you of my keen interest in the problems of the world as well as my country, and my congressional district. I am not now, nor have I ever been, an opponent of free trade as such. I am for as much free trade as we can afford.

I have found that when you scratch a freetrader, he bleeds like a protectionist.

The dying flatglass industry was given a new lease on life when the President raised protective tariffs. Incidentally, this puts the rate somewhere in the neighborhood of the rates prior to reciprocal trade agreements. For this, the President has been commended by the glass industries, but the Belgians and other exporters condemn and threaten our Government with embargoes and reprisals. In trying to save our glass industry we may well lose all the so-called diplomatic gains for which we sacrificed our industry.

Correspondence from Labor Union Council, AFL–CIO, Greensburg, Pa., Mr. James J. Chinnici, said:

Walworth Co. supplied the first atomic submarine, the *Nautilus*, with fittings and products. Now they are going out of malleable fitting business. By the end of June, 500 people will be left jobless. Cite this as only one example of what is happening all over this State as well as the United States. We believe that foreign competition is responsible for a great many of the citizens of this great Nation being jobless today. Jobless numbers are increasing and the economic level of our Nation is rapidly declining. This has to stop and stop soon. I beg you to look into this situation. Do what you can to correct it. I believe that the tariff on imports to this country should be raised to meet foreign competition. The die is cast. We place in your hands the responsibility of correcting this situation.

You can see why some of us are put in the position of being the Devil's advocate on any proposal that would, in the opinion of these citizens, further depreciate their job opportunities.

I am also in receipt of a wire from R. A. Hardy, president of the Greater Greensburg Chamber of Commerce, Greensburg, Pa., and I quote:

Westinghouse atomic reactor plant in Waltz Mills, closes March 25. One hundred and seventy most highly skilled in this type of work to be let out.

Many of these workers have a generation and a half of steady employment. Highly skilled nuclear plant workers ask what they will be retrained for under the Trade Adjustment Act. I do not feel that aid in the future will do any more good than closing the barn door after the cows get out. These matters are very serious to those of us in close contact with our people.

Approximately 600 primary jobs are at stake. According to the chamber of commerce statistics, 600 jobs lost to this community means the loss of income sufficient to maintain 24 retail establishments; loss of $2,160,000 in retail sales; loss of the use of 642 automobiles; 1,044 additional workers will lose their jobs; the loss of $3,540,000 in personal income; bank deposits will lose an additional net account of $1,940,000; and the sustaining revenue for 1,776 persons will be taken from the community. These figures are statistical data provided by the chamber of commerce on the effect of a job loss in any community.

My district is a distressed area. We have gone through the economic depreciation of our coal industry because of imports of residual oil. Our aluminum houseware goods have been carrying the brunt of reduced employment because of imports. Our tool steel industry is challenged by unfair competition from abroad. The handmade glass industry has been told that it is expendable. The relief being given by the President to the flat glass industry will require the passage of time to regain the markets lost because of the imports of glass.

In every field, in every effort, in every area, the unrestricted, unbalanced application of our foreign trade policy has caused unemployment, depreciated investments, curtailment of production and increased relief rolls. All of us want free trade, and we should have it just as soon as we can afford it.

Any trade that benefits one group, and injures another, is not equitable and cannot be justified either from the base of economics, diplomacy, or political expediency.

I stand ready to vote as I have in the past for all remedial legislation to help our economy, but I see little purpose in continuing to vote for injuries that are self-inflicted.

I do not know what we can do for these displaced workers. We want to help—this I am sure of.

Many are too old, and will end up on relief rolls. This condition cannot be tolerated. It is not the exception, it is becoming the rule in our economy, to have production facilities closed because of unfair competition over which they have no control.

Facts and testimony presented before our Committee on Imports show that hundreds of industries and individual plants are in the same precarious economic position.

Alone there is not much I can do. With your reevaluation of the trade position, hope can be given to these discouraged workers that their Government considers their welfare paramount and that no injustices will be done by legislation to create further injury.

COMMON MARKET

Adlai Stevenson, in a speech in Bloomington, Ill., January 23, 1962, said the Common Market is our only choice if the U.S. economy is to continue to grow. He called it a moral duty, or words to that effect. Morals in international trade are like friendships in a poker game. They only count if you have the winning hand.

Many important Americans, in and out of Government, have called the Common Market a threat and have predicted the doom of the U.S. economy unless we court and marry the European countries, without delay. In my opinion, such a union would be a shotgun wedding.

I feel that if the American people lose their sense of balance in this instance, it will be the most tragic mistake in our entire history. After a proper time spent courting, the day may come when a marriage between our economies may have a chance of fruitful union.

I disagree with the proponents of H.R. 11970, when they use the Common Market as the "bogeyman" for scaring the American people into a move that can well destroy our basic concept of a free enterprise government. It do not consider the Common Market a "bogeyman," a Frankenstein, or a commercial threat. It was conceived and brought into being by our own State Department as a buffer area—economically, militarily and diplomatically—as a tool in the cold war strategy. In these areas, it fulfills its promise.

One of its chief architects is now an official of our Government and the chief promoter of the present plans for a new trade program and the Common Market. We would be derelict in our duties if we failed to properly consider the grave consequences of basing our action on H.R. 9900 without dispelling the distorted picture of the Common Market presented to Congress and the American people. There are some Americans who—for reasons best known to themselves—are sincere freetraders.

At this point, I would like to present a partial list of the participants in the U.S. Trade Policy Conference. Even a casual examination will verify my statement as to the interests of the main proponents of this legislation.

CONFERENCES FOR CORPORATION EXECUTIVES, U.S. FOREIGN TRADE POLICY (SPONSORED BY THE SCHOOL OF ADVANCED INTERNATIONAL STUDIES, JOHNS HOPKINS UNIVERSITY), MARCH 6 AND 7, 1962, HOTEL STATLER, WASHINGTON, D.C.

Participants: Arabian American Oil Co.; Asiatic Petroleum Corp.; Chamber of Commerce of the United States; the Chase Manhattan Bank; Committee for a National Trade Policy; E. I. du Pont de Nemours & Co.; the European Community; Federal Reserve Bank of New York; the First National Bank of Boston; Ford Motor Co.; the Gillette Co.; IBM World Trade Corp.; individuals: Christian Herter and several others; Institute for International Development; International Business Machines; International Federation of Petroleum Workers; International General Electric Co.; International Minerals & Chemical Corp.; International Nickel Co., Inc.; New York Life Insurance Co.; Owens-Corning Fiberglas International, S.A.; Pan American World Airways; Pfizer International Inc.; Phelps-Stokes Fund; Republic Steel Corp.; Societe D' Information Financiere et Industrielle, Inc.; Sverdrup & Parcel and Associates, Inc.; Underwood Corp.; United Nations Economic Commission for Latin America; United States-Japan Trade Council; Washington Board of Trade;

U.S. Government: Department of Agriculture; Department of the Army; Department of Commerce; Council of Economic

Advisers; Department of Defense; Federal Reserve Board; Foreign Service Institute; Industrial College of the Armed Forces; Department of Labor; Library of Congress; National War College; Department of State; Department of the Treasury, and the U.S. Information Agency.

I sincerely believe that this generation of Americans is faced with the most serious economic decision of our history since the historic session of Congress in 1828. History tells us that it was during this session that our young Nation faced the momentous decision between carrying on the protective tariff policy borne out of the War of 1812, or going back to the free trade policies of Adam Smith and his "Wealth of Nations."

History also records that the great Americans of that day led by Daniel Webster, the arch enemy of protectionism, shifted their votes and voices from free trade and carried the day for the future greatness of America. We are told that this was "yesteryear," and we now live in a new world.

Every generation has been compelled to face a "new world." It is our turn, and looking forward requires quite a bit of looking backward to see where we are heading. As the Pennsylvania Dutch put it, "We have to back up straight ahead." You can plan the future, but can cannot change the past.

TELL THE WHOLE STORY ON TRADE

In the past months we have been bombarded with statements on why we must lower or eliminate all tariffs on imports and why we must accept the fact that some American industries will be sacrificed to permit imports from foreign countries. In support of this plea for unlimited and unrestricted power, the advocates contend that our exports exceed our imports by over $5 billion and we must import more if we wish to continue to export. If we were selling more than we are buying, why would we have a deficit of over $3½ billion in our balance of payments for 1961?

The whole story is not told by this statement of $5 billion of excess exports as you are not informed that this excess consists of over $1 billion in military supplies, over $1¼ billion in agricultural products exchanged for soft currencies, $200 million of ICA purchases, another $1 billion of subsidized agricultural exports and additional sums for subsidies on cotton, and so forth. In addition, there is the additional one-half billion dollars it costs our Treasury to subsidize the agricultural exports. Adding all of these figures together it is quite clear that we have no excess of exports over actual dollar imports. Therefore, we do not need to import more in order to maintain the balance of trade. We might consider cutting out subsidized and giveaway exports.

Another untold story is that the import figures are given in foreign origin value and do not represent equal purchases at prices which would be required by American producers. We therefore export at one value, and import at another value. In this process we export fewer items and receive tremendous quantities in return.

A third untold fact is the statement relative to the number of people directly or indirectly affected by foreign trade. You have not been told that among those directly affected are workers who work the greater percentage of their time in producing domestic products, and you are also not told that included in those indirectly affected is your grocer, your banker, your lawyer, and even social service workers, all of whom would hold their positions and do their work even if there were no imports. How little this group is affected can be illustrated by asking your grocer the question of whether he would close down if he had to stop selling coffee.

The question which is avoided and unanswered in this propaganda is how many American workers have been affected and how many may be affected in the future. There is no pat answer simply because no money is available for an item-by-item, industry-by-industry, job-for-job, payroll-by-payroll study. Nothing less will tell the whole story. I ought to know, I have been working, holding hearings, reading hundreds of briefs, trying to come up with answers on how many jobs are displaced by imports. One point stands out clear, clear enough for all to see: For every $1 spent to find out how many jobs are lost, $1,000 is spent to show how many jobs we gain.

One of the serious problems facing the American Congress and, in turn, the American people, is the lack of press, radio, and TV coverage of the other side of the free trade versus protection policies for American jobs and industry. One thing I can say without fear of contradition, is that for every word given to the so-called protection group, whole pages are being given to the free trade group. Local newspapers, commonly known as hometown papers, are doing the only good job of reporting this issue up to date.

In 1958, I made a public prediction. I said then and repeat now, "every industry that expands overseas will become profree trade as soon as the foreign profits start rolling in. I've searched every scrap of writing I can find; I've visited as many countries as physically possible; I've tried to give American industries and workers an opportunity to give their story to my committee. I've talked to every person interested in the subject of trade and I have not found one nation in the whole world, that does not protect its payrolls, its industries, its minerals, and its agriculture.

While we are talking more free trade, reducing our already low tariffs, we find that every other nation either individually or collectively—Common Market—is reducing internal barriers, but increasing external barriers. How else can the Common Market succeed? Can the member countries allow goods to come in below their cost of production and still prosper? They cannot, anymore than we can.

We found this out in the earliest days of our history and because we learned our lesson in trade economics, early and well, we created in this country what is now being heralded as a miracle in the Common Market; we created the largest, most profitable market in the world. Everytime in our history, when tariffs went below 20 percent on imports, we ran into serious trouble. Our first depression followed the tariff cutting program of 1832. Although the Congress proposed a cut in tariff rates from 45 percent to 20 percent we never made it. By the time we reached 30 percent we were in the grips of a recession that forced a revision of plans and upped the tariffs again to the 1832 level.

Maybe tariffs are not the answer, but it is historical that everytime we cut tariffs we had a "recession." We are told that protectionism is a bad word and worse, a bad national policy. If this is so, why do we have immigration laws? Why do we bar peoples, and yet we do not bar the products they make? How much difference is there between a foreigner coming to the United States and taking your job, or staying home and sending to America the products you produce ? In either case, you lose your job.

It is a peculiar twist of mental maneuvering by some persons that see logic in restricting the importation of teachers, newspapermen, lawyers, doctors, professionals, and other peoples of all nations. The same persons see no harm in flooding the market with the foreign products of steelworkers, automakers, and other production workers.

The Members of Congress from the South, the West, and other areas that enjoy protective tariffs and quotas on wheat, corn, cotton, tobacco, and/or Federal subsidies to protect their costs of production, join in the "anvil chorus" against Members who have plants shut down, workers displaced by imports of low-priced foreign articles. Let us see what our friends and neighbors are doing and then decide whether protectionism is a bad word, or a bad policy for a nation and its people.

Canada has a "Made in Canada" rule for customs that openly espouses the protectionist policy. "When any item is produced in Canada and reaches a production of at least 10 percent of the consumption of that product in Canada, the customs office raises the tariffs on imports for the practical and simple purpose of protecting its industry." They have recently manipulated their currency to help exports and to reduce imports.

They thus allow it to grow without competition from imports that can undersell the local product and it does not matter where the products come from, the United States, Hong Kong, Japan, or the Common Market.

In this past year—1961—57 such rulings increasing tariffs were quietly put into effect. The latest increased tariffs were put on tires, electric home dishwashers, powerboat controls, surgical-room lights, lighter flints, drycleaning equipment, and dozens of other items.

Contrast this with a few examples of our own disregard of the facts of our economic life. In 1947, we imported 480,000 lighters; in 1959 we imported

46½ million. In 1961, we imported 409,000 dozen tennis balls in the first 5 months—no figures available yet for the full year—against a total 12-month consumption in the United States of 1 million dozen. Five years ago southern California planted 35,000 acres of tomatoes; this year less than 2,000 acres were planted. For every 2 tons of steel we sold in 1961 we imported 3 tons. Iron ore imports have made Minnesota mining fields a depressed area.

No item produced in Mexico can be imported except in restricted quantities and with exorbitant tariffs. Mexico protests import duties by United States on minerals, yet it imposes an export duty on these same minerals.

The Common Market countries tariff all items imported which can be produced within the market. They will only buy what they need, and will tariff everything else. No sugar or coffee growing country imports sugar or coffee. In fact, all the workers in industry ask for is the same protection for their cost of living as we give to the wheat, cotton, and tobacco growers. Sugar countries, while receiving U.S. subsidies over the world price, impose export duties on their own sugar.

Imagine what would happen if the United States joined the Common Market. Following the regulations and tariffs in force would we have to follow suit and put the 75 cents a pound tariff on coffee that West Germany has on coffee? What then, would our program of Alliance for Progress with our Latin neighbors accomplish. In fact, our West German friends have a $5.06-a-ton tariff on American coal "to protect their costs of production of domestic coal and the jobs of their coal miners."

At this time it might be good to review the editorial that appeared in a leading West German newspaper of recent date. Maybe they have in mind giving jobs to our unemployed coal miners, tool steel makers, turbine and generator workers, radio, electronics and consumer goods workers who—because of their protective tariffs, and our open markets—are out of work.

I quote verbatim, the editorial appearing from Bonn, Germany:

WEST GERMANY JOB OPENINGS

BONN, GERMANY, December 3.—A leading newspaper suggested today that West Germany import jobless Americans to meet an acute labor shortage.

Handelsblatt said in an editorial the U.S. Government might cooperate in the scheme—by paying the transportation costs or offering a subsidy to make up the difference in wages in the two countries.

"As for the willingness of many Americans to work in Germany," the newspaper commented, "this can hardly be doubted."

The United States has close to 4 million unemployed; West Germany has a half million jobs to be filled.

I do not know how you all feel about shipping your neighbors overseas, chasing after the jobs Congress and the trade policies of our country have deported in the last decade. Usually deportation procedures are a long, hard fought battle with the intended deportee fighting for all he is worth to stay here in the land of the free, and home of the brave.

I can just hear my immigrant father—God rest his soul—reading these statements and blasting loose with his famous remark about "free schools, dumb people." I do not want to leave, and I am not going to be part of any plan that intends to send my friends, neighbors, and even some of my family, to Europe, Japan, Hong Kong, or anywhere else because their country, with my vote, has made it impossible to earn a living.

It may work—I am not qualified to express a positive opinion. This much I do know—I want to live and die, work and raise my family in this, my own native land. A well-known importer has gone even further, and suggested exportation—lock, stock, and barrel of our American unemployed. I wonder if they would, at the same time, expect Congress to pass an appropriation to turn the Statue of Liberty around to face the other way?

In other words, we will add our greatest national asset: manpower—skilled, trained, and intelligent—to the money; know-how; sales promotion, and domestics market already given to our competitors overseas.

I can remember not so long ago, when we were going all out to create jobs for the Japanese and the West Germans. How can any American legislator vote for trade legislation and how can any administration continue a trade policy that allows this kind of a situation to exist and in fact, grow. The Japanese said something along the same line when they suggested "now that you admit we can make things cheaper and better than you, you should stop making these items."

It is bad enough for foreign producers, interested in their own welfare and profits, to take this attitude—but how much worse can we get when our own State Department suggests we abandon certain industries, eliminate certain trades and jobs, subsidize injured industry and retrain workers for jobs not yet taken by the Japanese, Germans, and so forth, all over the world.

Let us make one point and make it clear, without restrictions. I favor a common market with any country, any group of countries or any area, just as soon as they gain our economic standing, our wage levels, our costs of living, our way of life. We can help them, and we have. We cannot help them or ourselves, unless we have full employment.

The truth is that we will have more serious trouble taking our market back after we give it away. Proof of this is the classical case of window glass.

This points up the seriousness of granting uneconomic concessions to nations which build up their economy on a false foundation. The Belgian Government is already protesting vigorously and bitterly. They claim that the loss of that part of our market effected by the new tariff rates on flat glass alone, will cost the Belgian economy 5,000 jobs. Does not this mean that the 5,000 Belgians have displaced 5,000 American jobs, and considering the effect upon our economy, measures up to a fantastic impact upon employment in our own economy.

This tariff increase alone, according to the Belgian figures, and using the U.S. Chamber of Commerce job evaluation impact comes to the following totals of impacts in various economic areas in the United States: 5,000 jobs for glass industry; 8,700 additional full-time jobs in the community; 14,800 people sustained in the community; 5,350 more cars put into use; $29,500,000 will be added to personal income; $14,500,000 will be added to net bank deposits; and $18 million will be added to retail sales, enough to open 200 new retail outlets.

This is the impact on our economy when the seed money of production wages is planted in the fertile fields of our own economy. You can understand now why the common market countries are prosperous.

We are considered the world's greatest exporting Nation. Are we? No, not by a long shot. If we measure dollar volumes, yes. If we measure imports as against gross national products, the answer is "No."

The United States has a gross national product of $546 billion, and exports $20 billion out of which about $14 billion represents dollar sales. West Germany has a GNP of $60 billion with exports of $11 billion.

If we carry out the provisions of H.R. 11970, as now written, our diplomatic problems will mount even faster than our economic depreciation. Only two restraints can save the American consumer goods industries under the full and free trade impact of H.R. 11970, if administered by a Chief Executive who may not use the judgment and restraint shown by the President in the glass and carpet wool cases.

These restraints will only be temporary, and in time, disaster will strike our free enterprise system. The first and most important safeguard we have is the natural inclination and determination of large numbers of Americans, to buy American and to buy union made goods, and others who realize that they destroy job opportunities, profits and investment incentives when they buy foreign made goods that displace American goods on our market shelves. Some of the proponents of H.R. 11970 are doing their best to discourage this group by propaganda, false and misleading statistics, and above all—the threat of physical destruction of nuclear warfare.

The second restraint will be overcome sooner than our theorists imagine. This is the lack of production facilities to provide the enormous amount of goods and equipment our economy consumes. Any person hiding behind the thought that our productivity and know-how will protect us is living in a fool's economic paradise.

On March 9, H. S. Geneen, president, International Telephone & Telegraph, had this to say:

Labor will have to face the fact that European workers are as skilled as our own. The United States has no monopoly on production know-how and the plain fact is that Europeans' labor rates are lower than U.S. rates.

This combination of low labor costs and high productivity means that U.S. labor and management will have to work as a team to

raise productivity to maintain our ability to compete effectively, as the only valid basis gor granting either labor or capital a greater share of the common output.

Geneen recommended "increased exports through U.S.-owned foreign companies."

It means simply and plainly that the passage of H.R. 11970 as written will increase the foreign participants who will sit in on labor-management negotiations, and will establish a new criteria for profits based upon foreign values forcing more and more American runaways who, following Mr. Geneen's advice, will become foreign export agencies, as well as manufacturers.

After studying the Commerce figures, I have satisfied myself that the figures as they pertain to Pennsylvania are shaded to benefit the passage of H.R. 11970. Let me give you the figures from the very same Department of Commerce.

Secretary of Commerce announces Pennsylvania exports of manufactured products to be $1,189,500,000. A survey of all manufacturers with 100 or more employees doing $25,000 or more business shows total exports to be $921,500,000. The markup of $268 million is what the Commerce Department has added for what they call the estimated f.o.b. port side.

By this same method of unrealistic, uneconomic, unsound statistical reporting, Congress, and the people, are being led to believe that 6 million workers owe their jobs to export activities in the United States. Let's examine this for a minute.

The total amount of exports valued at the manufacturer's cost, which determines the jobs and wages is $9,792,400,000. The added value markup by the Department of Commerce is $7,105,600,000, making a total of $16,898 million.

This is the figure used by our Government officials, the importer groups, the National Manufacturers' Association, chamber of commerce, and other proponents of H.R. 11970, in calculating the jobs created by exports.

It is not a true figure, nor can any stretch of the statistics prove that the jobs created are anywhere near the number stated by any of the following testimony, and public statements on job totals:

Labor Department	3,100,000
Secretary of Labor	4,000,000
Secretary Hodges	6,000,000
Importers' Council	12,000,000

Charles Percy of Bell & Howell tops all the job estimates by claiming up to 15 million jobs for export workers.

All of the above say that imports only displace between 2 and 500,000 jobs. We must first realize, that in all the United States of America, there are only 16,800,000 jobs in manufacturing with a payroll of $90 billion a year.

Incidentally, this $90 billion payroll is the seed money for a $92 billion budget. Actually, the jobs ought to be related to the manufactured products wage contents. Recently, the Japanese Trade Council put out a very interesting piece of propaganda purporting to show the number of jobs created in every State by exports to Japan.

I challenged the figures for my State, and a few other States. In answer to my speech for the RECORD, I received the following explanation from this foreign interest group:

DEAR MR. DENT: I read with interest your comments on tariff and trade appearing at page A557 of the CONGRESSIONAL RECORD for January 25. In those remarks you were critical of the report of the United States-Japan Trade Council showing the jobs created in the United States by exports to Japan. In your view, the figures on exports and jobs created in the States of Pennsylvania and Mississippi are inconsistent. I am writing you to clarify the record on this.

Upon superficial examination, your exceptions to our report would appear to be well taken, but they are nevertheless unsound. What you have overlooked is the productivity of Pennsylvania workers (of which you may well be proud) as compared to the productivity of workers in Mississippi, who are mainly engaged in the production of cotton, insofar as exports to Japan are concerned. These productivity statistics were obtained from the 1958 Census of Manufactures with respect to industrial products and from the Department of Agriculture with respect to agricultural products. They show that the average annual value of industrial shipments from Pennsylvania per employee was over $25,000; the average value of shipments per worker in Mississippi, on the other hand, was about $5,500. We are now speaking of employees engaged in direct production, which figure was doubled in our report to account for indirect employment created in service and supplying industries, as explained in the sources and methodology of the study. Our figures for direct production employees in 1960 were 2,426 for Pennsylvania and 5,809 for Mississippi.

For Pennsylvania, the average value of annual shipments per direct production employee was high because of the predominance of the following export industries: petroleum products, with an average annual value of shipments of over $70,000 per worker; iron and steel scrap, with an average annual value of shipments of over $42,000 per worker; chemical specialties, with an average value of about $34,000 per worker; steel mill products, with an average value of about $28,500 per worker; power generating machinery, with an average value of over $21,000 per worker; and other industries with a high value of annual shipments per productive worker.

For Mississippi, the production of cotton for export to Japan predominates (Japan is far and away the best customer for U.S. cotton). According to the Department of Agriculture, the average worker in the cottonfields produces an annual value of cotton shipments of $4,300, a far cry from the value of production of the industrial workers of Pennsylvania. Including all workers in Mississippi engaged in producing commodities for export to Japan, Mississippi only averages an annual $5,500 in value of shipments per worker. Obviously, despite the fact that total 1960 Pennsylvania shipments to Japan in dollar value were more than double the shipments of Mississippi, more Mississippian workers are employed because of the very low average productivity of cotton farmers and cottonfield workers. This, of course, is one of the main reasons for our agricultural cotton price support programs.

The foregoing explanation accounts for the much higher employment in exports to Japan of agricultural States in the South (such as Mississippi, Arkansas, and Alabama) as compared with the industrial Northern States of Illinois, Ohio, New York, and Pennsylvania. I can assure you that our report was the result of long, careful and objective study and that the figures contained therein have not been manipulated to prove any preconceived thesis. We would be very happy to confer with you regarding our methods in pursuing this study and are confident that we will be able to persuade you of their reasonable accuracy.

We would appreciate your inserting this letter in the CONGRESSIONAL RECORD in order to correct any misapprehensions that might have resulted from your comments of January 25.

Respectfully,

NELSON A. STITT,
Director.

I would like to call your attention to the unusual arithmetic of the American agent for the Japanese trade council, Mr. Nelson A. Stitt.

In classifying Mississippi, Arkansas, and Alabama—as like States and using his own figures, we find the very unusual situation in these States where two jobs are created by a gross production of $4,300 for a full year's work.

Mr. Stitt states that Pennsylvania's $60 million yearly gross business with Japan creates 4,852 jobs for Pennsylvania, while $32 million gross yearly business with Arkansas creates 11,618 jobs. He arrived at these figures in about the same way that Attorney Barnhart, representing the importer's council, arrived at his figures.

It seems that Stitt took the mean averages, arrived at by dividing the gross product with the number of workers actually working and just doubled the numbers. In Pennsylvania he claims the creation of 2,426 direct jobs, doubled to 4,852. In Mississippi he claims creation of 5,809 direct jobs doubled to 11,618. Barnhart takes the figures of 6 million that Secretary Hodges arrived at by doubling the Labor Department's 3 million figure, doubled it, and comes up with 12 million jobs. Double, double, that's the trouble with these statistics.

They all seem to forget that only one part of any set of figures, whether they be sales, cost or production figures, matters in developing the job impact of trade. In studying job impact, the only figure to be considered is the money received by the worker as wages.

If $4,300 in Mississippi creates two jobs with wages set, a Federal minimum requirement of $1 an hour, the purchase of $4,300 worth of goods from Japan, with wages set at a maximum 35 cents an hour—including all fringes—will create at least six jobs in Japan.

Maybe that is why there is a labor shortage in Japan and as I have shown in this testimony, some of our economists and proponents are suggesting we export our unemployed. One wonders how many of our workers are willing to accept this solution.

Europe has an average wage of 85 cents an hour, including fringes. Japan has an average wage of 35 cents an hour, including fringes. The United States tabs an average wage of $2.96 an hour, including fringe benefits. It follows, then, that for every 85 cents worth of labor content in an imported article from the Common Market an American worker loses $2.96 an hour, and for every 35 cents worth of Japanese labor content, he loses $2.96 an hour.

This fact you can accept and test it any way you want, and you will find

that simple arithmetic spells out why our job economy is dying while foreign countries, exporting to the United States, are growing by leaps and bounds.

Do not be kidded into believing that foreign productivity is lower than ours because that argument is as outdated as most of the free trade arguments are. To show how silly this argument is let us examine an article from the New York Times, Sunday, March 11, which attempts to laugh off foreign wage differentials with this illustration. Quote:

> The single most important factor is productivity, output per man-hour—a study showed that the average Japanese worker earning 22 cents an hour only produced 30 cents worth of product while an American worker counterpart earning $1.95 an hour produced $3.19 an hour worth of product.

If this were true, then, an item costing $3.19 in Japan would cost $2.33 in labor as against U.S. costs of $1.95. One wonders why the Japanese can sell lighters for 30 cents as against $1.25 for United States. Also, why we can only sell raw materials, fuel, machine tools, and production facilities in any quantities to Japan. In return we buy manufactured goods and products we produce in surplus in our own country.

If we could produce cheaper than our competitors instead of Japan selling the United States 85 percent consumer goods and buying only 15 percent consumer goods, these figures would be reversed.

In a recent nationwide article we find that in talking about foreign production, the article says:

> American-owned foreign plants produce four-fifths as much as their American plants.

Allowing this 20-percent drop in productivity, how can we explain the difference between wages paid here and abroad and why the American plant has been moved overseas if they can produce cheaper here than they can in foreign countries?

Like most other statistics and arguments, I have read in this debate, I am convinced that if the American people believe all they are being told by the proponents of this legislation, they will be the biggest suckers since the Indians sold Manhattan for $24.

Let me quote from an eyewitness account of wages and productivity in the same Japan we have been talking about:

THEORY VERSUS FACT

> For over 4 years a Harvard liberal in the labor movement has given me the well-known bird every time I talked about foreign imports injuring U.S. industry and destroying U.S. job opportunities. Recently he came into my office after returning from Japan.
>
> While there, my visitor stepped down in the valley of realities and came back with a new view of free trade between unequal economies. This is his story: "I've disagreed with you over the years. I was wrong. I'll suport your position in this fight all the way. What I saw in the manufacturing plants in Japan convinced me that we cannot compete in a free world market, no matter how much we automate."
>
> In one instance I watched a production line in an electronics plant. They had the new machines we have in our own domestic plants where we have a contract. The only difference was that our machines were 9 years old while theirs were only 2 years old. The rate of production per unit was timed at the same productivity per machine as our machines.
>
> The difference, however, was that in the United States, one worker operated one machine at a pay scale of around $2.60 an hour, while in Japan, one female worker operated two machines at 15 cents an hour. An inspector earned about 20 cents an hour as against over $3 an hour in the United States.

Unless we are content to fix our present rate of wages, income, and way of life as the peak of our progress, we must fight any further depreciation of our job opportunities. Much will be said about the number of jobs created by exports as against job losses from imports. Anybody can use any set of figures that best suits the side of the question being sponsored.

However, anybody who kids himself into the fake economic equation of "profits from exports offsetting losses of jobs from imports" will find out he has been badly misinformed.

We sell $14 billion and we add $6 billion as exports, while we buy and pay for $15 billion worth of imports. The fact that we export more than we import does not mean we sell more than we buy. According to Blough, of United States Steel, we shipped—not necessarily sold—2 million tons of steel, but we imported—purchased—3 million tons of steel in 1961.

The impact of imports must be studied from both the payroll, the profit, and above all, the selling price before we move into any program of further depreciating our domestic market. Since 1950, the U.S. position in world steel production dropped by over 50 percent. We used to produce 46 percent of world steel; we now produce 26 percent. In the same 10 years our exports dropped from 15 percent of world totals to 7 percent while our imports jumped from 1½ percent to 5 percent. Remember that the volume by tonnage had a much greater effect upon payrolls, profits, and unemployment than the dollar value of trade.

It is important to note that the production percentage increases in our most bothersome competitive countries is higher than in the United States. We cannot discuss trade from the dollar volume point of view because ever since our industrial revolution started, there has been no real comparison between our wage and foreign wage levels. In fact, the rise in foreign wages is basically the cause of their recent economic well-being Our high wages here are the only reason for the fight by foreign countries to dump their manufactures into our market.

Markets are created by high income, not low selling prices. Lower prices create more production only when higher income creates more consumption.

The bugaboo being dreamed up by the academicians who are driving Great Britain into the Common Market and are pushing the United States to the same ending is a figment of the imagination. Calling the Common Market a threat to our economic well-being is the worst kind of propaganda.

If the Common Market is to succeed it must protect its own production against cheap foreign imports whether they come from the United States, Japan, or South America. If their nations do not protect themselves, the Market will dissolve in less time than it took the State Department to put it together. We seem to forget that the Common Market is made up of sovereign nations, and not States with a common set of laws and a Federal or Central Government.

For instance, when we protect cotton imports, subsidize cotton exports to help the economy of the cotton States, while at the same time, we reduce tariffs and drive States producing bicycles, glass, and consumer goods into depressed economic conditions, there is nothing much the injured State can do about it. However, if France's auto, glass and textile industry is sacrificed so that Germany can export its machinery to Japan, how long do you think France will stay in the Common Market?

One of our problems stems from a national inferiority complex. This complex has been created deliberately and objectively by some organized groups lofty ideals sometimes hide the practical and deliberate plans of greed and profiteering.

The simplest proposition is clothed in the most complicated phraseology. Thus, the clearest facts are beclouded. Most of us mistake such talk for superintelligence and therefore, beyond our commonsense and ordinary comprehension. We get to the point where we sit openmouthed, listening to a formula of planned deceit which we believe to be exclusive knowledge beyond the grasp of just simple folks.

If you take time to analyze the attitude of some of the so-called freetraders, you will note the similarity in their attitude toward those of us who are sincerely and militantly fighting for our economic well-being, and that expressed by Dr. Seymour Harris Howard, economics professor, when he said:

> The problems are intricate and cannot be fully understood even by the intelligent minority.

This much I do know and so should every other American: "Production will go to the low-cost, low-wage areas, and sales will go to the high-profit, open-market areas." An open market coupled to a nonprotective tariff policy is an open invitation to economic as well as military disaster. This Nation in two world wars and the Korean conflict demonstrated that our protective policy had created and preserved the industrial ability and trained workers necessary to win all three conflicts.

I suggest, before committing our Nation to this new unrealistic trade policy, we need to consider the cost and the risks involved. The tariff cuts under the Reciprocal Trade Acts had not had a serious effect up until 1958 except in certain hard-hit industries. The overall impact of imports is just beginning to be felt in our marketplace. If Congress pushes through any further tariff cuts without allowing the past 4 years of experience to be measured, it will commit this Nation to a policy that may very well destroy for many years to come any betterment in our way of life.

If we tie up to the Common Market we would be honorbound to give each State veto power over rates of tariffs the same as each country in the Common Market

exercises a veto over external tariff rates as well as external policies. Otherwise, we will find ourselves with 1 vote for 50 States against 1 vote for each country on every tariff to be set. Although we find ourselves putting more power into the administrative branch, which, in turn, will stop even the small voice the States have through their elected Representatives in Congress, we do not seem to worry about the ganging up that will take place in any grouping of trading nations. For example, GATT, under whose free trade policy we have cut tariffs on over 50,000 American-made items up until 1958. We have cut from 46.7 percent to a 12-percent average tariff.

Our experience with GATT ought to be reviewed by Congress. Congress will find that we gave away trade advantages on almost every deal we made under GATT. Without being funny, you can safely say that we made trade deals with the GATT pointed right at our economic belly.

It would be suicide to become dependent upon the Common Market production for either our revenue, or our defense. It can only be considered a threat if the Common Market refuses to sell us materials, products or services we cannot do without, and refuses to buy from us the same essentials for their own well-being. This is, of course, contrary to all trade history except in the case of war or political and economic sanctions. If this happens, all the compacts, treaties or "gentlemen's agreements," would not amount to a fiddler's d—— and we had better have exactly what we are fighting for, domestic production, domestic labor, domestic capital, and—above all, domestic know-how. This is not isolationism, it is survivalism.

Trade is the exchange of something of value for something else of value, trading what you do not need for the thing you do need. Nations must have employment, and production creates employment. The use of trade for the sake of trade profits never creates a mutually successful economy for trading nations.

Even if we discount the job loss, how much has been lost by our economy because we have promoted both private and public investments in oversea competitive production without safeguarding our domestic production against the imports from these same facilities.

Here is a 6-year score on foreign investments by private American investors:

	Amount of investment	Profits returned to U.S. companies
	Millions	*Millions*
Investments in Western Europe, 1956–61 (6-year total)	$5,141	[1] $2,261
Investments in underdeveloped areas (6-year total)	5,552	[1] 8,794
Investments in Latin America (6-year total)	3,057	[1] 4,379
Grand total	13,750	15,394

[1] This does not count money left overseas for reinvestment, expansion, automation, and cash reserves. The less restrictions we put on imports, the more profits for our American investors overseas and their stockholders but the less wages for American workers.

It appears to be the policy of the proponents of this legislation to base their claims for the necessity for the passage of H.R. 11970 upon the so-called agriculture trade balance. There are claims made by various groups and it is noteworthy at this time to call to your attention the claims of the National Council of American Importers in public document entitled "How Imports Create U.S. Jobs." This pamphlet purports to show the following U.S. agriculture exports, fiscal 1961.

Now you can see why I led the fight against H.R. 5 which would have given even more concessions and profit opportunities to our American investors overseas. I note that many of the advocates of H.R. 5 are now advocates of the present tariff-cutting legislation; the only difference being that now they are against foreign investments.

In time they will be against the free trade concept of tariff cuts if it is not too late. Remember that in the main, this is the same group who conceived, delivered and wet-nursed the Common Market baby which they now see as a full-grown menace to the U.S. economy.

I am sorry I cannot see the Common Market as a menace. I see it as a blessing for the workers of the market area. It will raise standards and living conditions, but until its economic level of wages and individual purchasing power reaches our own, it is economic suicide to talk of a marriage between our two economies.

At best, it would be a shotgun wedding with nothing but bickering, fighting, misunderstanding, distrust, and eventually ending in divorce, leaving behind a lot of children in the form of bankruptcies, unemployment, and a handful of rich scavengers who represent either or both sides in the proceedings.

U.S. agricultural exports, fiscal 1961

	As percent of U.S. production	As percent of world trade
Wheat	49	44
Cotton	49	41
Soybeans	26	75
Soybean and cottonseed oil	20	75
Rice	56	15
Feed grains	16	48
Tobacco	29	33
Lard	20	69
Tallow and greases	40	74
Hides and skins	30	n.a.
Fruits and preparations	18	n.a.
Vegetables and preparations	7	n.a.

Calendar 1960.
Source: U.S. Department of Agriculture.

I see nothing but economic depreciation, with greater unemployment, more distressed areas, and heavier personal taxloads if this bill passes without changes.

It is interesting to note at this time that the major exports as listed are wheat and cotton, both of which are approximately 50 percent of total American production exported. Let us examine this for just a minute. Since we export 50 percent of our wheat, then it follows that we are paying 60 cents a bushel subsidy to American exporters to make up the difference between the U.S. domestic price support of $2 and the $1.40 world market price. According to the Secretary of Agriculture—quoted in the Wall Street Journal, Tuesday, March 13—this amounts to $400 million a year out of taxpayers pockets.

Let us move to cotton and we find that in cotton the same condition obtains. Cotton is exported at a price of $139.50 per 500-pound bale. However, it is price supported to $172 for the same amount of cotton. This means the American textiles mills pay $42.50 per bale while the American taxpayers pay out $42.50 as a subsidy to our foreign competitors who buy American cotton. Since the American consumption of cotton according to American textile and apparel industries is 8,268,000 bales and, using the 49 percent figure, we export over 8 million bales of cotton. Here again we find approximately $340 million of subsidies paid by taxpayers in order to export cotton. The cost to the United States under various agriculture programs is estimated to reach $1,700 million this year.

I make this point to show that we cannot sustain the American economy on the exportation of agricultural products. Testimony before the subcommittee on the impact of imports and exports on American employment tends to show that we have become in fact an exporter of foods and raw materials and an importer of manufactured goods.

The combined employment of textile and apparel industries is 2,500,000 men and women—one-eighth of the total of over 16 million engaged in all manufacturing enterprises in the United States. The extent of the damage already done to the textile industry is shown by the following figures. This excludes 1,213,000 employees in the apparel and related industries.

	1947	1957	1961	Decrease, percent
Number of employees	1,335,000	1,000,000	892,200	34
Cotton system spindles	28,800,000	21,200,000	19,600,000	32
Profits on sales—percent	8.2	1.9	1.9	77
Profits on net worth—do	18.0	4.2	4.0	78

I also would like to call your attention to the fact that the U.S. consumption of cotton dropped from over 26 percent of the world to 18 percent. Only a small part in the decrease in the United States can be explained by the production of manmade fiber products. Also the cotton content in the last 7 years after the passage of Public Law 480 shows an increase of 42 percent in imports and against a decrease of 20 percent of exports.

Since 1954 under Public Law 480 we have shipped 6-million-plus bales of cotton valued at $837 million which is supposed to be in excess of their tradi-

tional consumption of cotton. These 6 million bales of cotton valued at $837 million were paid for in local currency which could be only spent in the local economy. Whereas the goods manufactured from this cotton are available to be sold to us for American dollars which under the Bretton-Woods and other agreements are readily exchangeable for gold at a fixed gold price. It is a well recognized fact that many textiles are sold at very close prices, a difference of one-eighth cent a yard or approximately 1 percent of value is often a controlling factor as to whether a mill can continue to operate.

Before getting away from a general picture of agriculture, allow me to quote from testimony before our subcommittee from the Western Growers Association:

It would also be helpful if agriculture handbook No. 132 of the U.S. Department of Agriculture, a 141-page booklet which reviews agricultural trade policy throughout the world, should be read as proof that reciprocal trade does not exist and that various protective devices are used.

The president of the Western Growers Association, representing the vegetable and melon industries of California and Arizona, had this to say "incidentally, these agriculture products are nonsubsidized and apparently because of this fact and that the U.S. Government has no financial stake directly in these products, they have become the whipping boys for agricultural imports."

STATISTICAL "HOCUS-POCUS" ON AGRICULTURAL EXPORTS

The contention that agricultural exports during the past fiscal year 1960–61 reached record proportions at $4.9 billion, and that 78 percent of this was sent to countries with which we made trade agreements, while imports of competitive agricultural products amounted to $1.8 billion, needs some reexamination. The $4.9 billion export figure is official and need not be questioned. However, in a publication of the U.S. Department of Agriculture, "The Demand and Price Situation" for August 1961, page 9, stated that about 60 percent of these exports received some form of Government assistance. This consisted of outright subsidies such as those that apply to our exports of wheat and cotton of which we exported over $2 billion in 1960, outright grants (gifts), etc. Only 40 percent of the total was sold for dollars with no governmental assistance. This part of our agricultural exports was slightly below the previous year.

To attribute our agricultural exports and specifically their expansion to the benefits of the trade agreements program is, of course, wholly unjustified in view of the pertinent factors as above stated. Actually, the need for subsidization in order to export is proof that the trade agreements have not opened foreign markets to our farm productions; we do not have reciprocal trade on agriculture; quite the contrary. Only our subsidies have succeeded in doing that.

Our imports of agricultural commodities are classified by the U.S. Department of Agriculture as supplementary or complementary. The complementary imports are those that do not compete with domestic farm products—examples: coffee, tea, crude rubber, cocoa, etc. These are all free of duty. Nevertheless, importation of these products gives the foreign countries dollars with which to buy our products. Once again, the trade agreements program has nothing to do with these products because we have no tariff on these imports.

RECIPROCAL TRADE IN AGRICULTURE AND SUBSIDIES

The above stated that in fiscal year 1961 there were duty-free imports of $1.8 billion, which should give rise to exports of a like volume by supplying other industries with the necessary dollars. This should therefore be deducted from the $4.9 billion of exports for fiscal year 1961, if we seek to determine the influence of our trade-agreements program. The export figure then would come to $3.1 billion.

It further stands to reason that this surplus of exports would not have occurred without the subsidization to which we have resorted. The cost of the wheat and cotton subsidies between them come to more than $550 million in 1960. Before we subsidized the exports of raw cotton our foreign market was fading rapidly. Our average exports of cotton from 1950 to 1952 was 5 million bales per year. In 1956 these exports dropped to 2,214,000 bales. Then we began to subsidize the rate of 6 cents per pound in 1957. Exports jumped to 7,598,000 bales. This was followed by another drop in 1958–59 to 3,129,000 bales. On August 1, 1959, we increased the subsidy from 6 cents per pound to 8½ cents. Exports again responded. In 1960 our exports leaped back to the 7-million-bale level.

What did our trade agreements have to do with this? Nothing. Our record agricultural exports are the result purely and simply of our subsidization and governmental assistance. As recently as fiscal year 1958–59 our agricultural imports exceeded exports by $300 million. Imports were $4 billion; exports $3.7 billion. It is safe to say that the increase in exports has been the direct result of heavier subsidies and other governmental assistance. Witness the U.S. Department of Agriculture report, already quoted, namely, "The proportion of unassisted dollar sales was slightly below the previous year" (referring to fiscal year 1961 over fiscal year 1960).

ESCAPE-CLAUSE RELIEF

The statement that any concession granted in negotiations is subject to the further safeguarding procedures of the escape clause under section 7 of the Trade Agreements Act, when it can be shown that economic injury from imports to domestic producers has resulted from the negotiated tariff reduction ignores the record under the escape clause of the Trade Agreements Act, regardless of which political administration has been in power. Since its inception in 1947, the record shows that the odds are almost 10 to 1 against getting relief under this procedure. The Tariff Commission itself has failed to find serious injury in 70 cases out of 110. The White House turned down 27 of the remaining cases coming to it from the Tariff Commission with a recommendation for a higher duty. This left 13 cases on which some affirmative action was taken.

In 1961, the cantaloup and watermelon growers, assisted by the California Department of Agriculture, presented two very strong cases before the U.S. Tariff Commission for relief from these excessive imports. Although, beyond any reasonable doubt, serious injury was proved, the Commission, consistent with policy, granted no relief and denied the petitions as stated above.

EXPORT VALUES AND FOREIGN VALUES

In October 1961, a report by the Nationwide Committee on Export and Import Policy covering the subject of "import competition employment" covered this subject very well by stating, "In weighing these trade statistics we should keep before us the fact that the import values are foreign values, i.e., the sales choice to our importers exclusive of duty, ocean freight, marine insurance, etc." This fact tends to shrink the impact of imports in terms of man-hours required to produce them. For example, in 1960, our imports of shirts were valued at $14 million. What did this mean? What are $14 million worth of shirts? How many shirts? In this country, it would mean 7–9 million shirts at factory prices. How many employees would be needed to make that many shirts? But wait. The imports were not 7 million or 9 million shirts, but 24 million. At our value, they would have represented $36 to $48 million. Innumerable other examples could be given. In terms of man-hours required to produce the 1960 imports of $14.6 billion exports of perhaps triple that value would be required to balance the account.

All farmers recognize that they must compete with other producing areas of the United States for today's consumer markets. That constant factor is good healthy competition and is a parcel with our balance of our supply and demand. This type of domestic competition assures our consuming public of getting the very best that is available for the least amount of money and over a period of time, results in a fair return for both labor and industry. In this respect, I would like to state that the American agricultural industry is paying the highest agricultural wages in the world and cannot fairly compete with foreign producing areas having the advantage of low tariffs and wages often 10 to 20 times less than our farmers are paying. This type of competition poses a real serious problem and one which has been created—whereby these foreign imports result in oversupply and destroy the marketplace. This is not only a serious economic problem for agriculture, but is one with which labor certainly has a self-interest in as well. We cannot argue that our labor costs are too high. In preference to this, let's say that it is the extremely low wages in the foreign producing areas which have advanced this problem.

Mr. Chairman, it can be argued that regardless of who pays for exports, the jobs created benefit the total economy.

This is only true in part. When taxes are collected from workers, it cuts down the purchasing power in the market place which in turn cuts down employment.

In addition to present loss of employment in the textile and apparel industries the entire future of our cotton farmers, ginners, compressors, and warehousemen—not included in manufacturing industry figures—is threatened. If the domestic mills, which pay the Government support price, or higher, for the greater portion of U.S. cotton consumed, are destroyed, then it follows that raw cotton interests must live on the world price plus such additional subsidy that the Government may wish to pay them.

We are familiar with the depressed conditions in the coal mining areas of West Virginia and Pennsylvania. Those same conditions will probably arise within a few years in the many areas in many States where a large proportion of all manufacturing industry employees are those engaged in producing textile products and apparel. In many places this proportion is 50 percent or more of the total number of employees in the manufacturing industry in the State.

It will be impossible to retrain or to move a large number of the employees, many of whom have made the textile industry their life's work, are skilled employees in the industry, and have estab-

lished their homes, their families, and their expected future, based on the stability of the textile industry. The liquidation of this industry, employing a large number of people and so necessary in time of peace or war, will bring social unrest, family disruption, and heartaches to a great number of people in wide areas of the country where the industry is located.

The suggestion that these people be retrained and possibly moved to other localities is not realistic when we consider that we have not retrained and taken care of some 4 million employees who are now unemployed, and yet it is proposed that we begin to add to this number an additional 2 million employees. If this program were put into effect today, our unemployment could rise from 6 to 9 percent. I predict that when the chips are down, if H.R. 11970 passes, as it is now written, it will not be used for a few years. No matter how unrealistic the proposed relief for workers may be, common decency demands that we include this section in the bill if the bill is passed.

It seems quite clear that our import policy has largely caused this decrease in American jobs. The textile industry is hurt by our cotton-pricing controls. But it probably can survive if we get an equalization fee to offset the 8½-cent-per-pound subsidy on cotton exported to foreign countries, plus protection in the form of fair tariff rates and quotas against excessive importation of fabrics and apparel from low-wage countries. However, a proof that the phase of free trade creates other restrictions, witness the passage of legislation by this House which will bar imports from underdeveloped nations not part of the agreement.

Foreign countries have no just basis to object to any of these procedures. Practically all of them have restrictions which prevent or limit our shipping many items into their borders. There is little reciprocity in practice.

For many years a small group of Members of Congress have tried to make the point that the Reciprocal Trade Agreements had not accomplished its purpose and, in fact, in the many agreements between other nations, the United States gave up more than it gained. Four years ago, the very same results that are being promised now, were promised if we would extend the Reciprocal Trade Agreements for a longer period of time than the normal 1 year. We were told that it was impossible to negotiate under a 1-year extension and that a 4-year extension would give the executive branch of the Government the tools with which to negotiate on a more permanent and a more reciprocal base. We were told that this would curtail so-called runaway industries and runaway investments, and that agreements could be made that would create export markets without injury to our own domestic employment. Why then was it necessary to wait until the 4 years were up—all but 3 months—before putting into effect the lifesaving tariff cuts demanded years ago.

It is my humble opinion that the failure of the 4-year plan has been proven. Particularly in the switch of the character of imports and exports by reversing the field percentagewise and shifting from manufactured goods in exports and nonmanufactured goods in imports to exports of nonmanufactured goods and imports of manufactured goods.

In the pamphlet I referred to earlier, a case is attempted to be proven that the United States sells $5 billion more than it buys, showing $20 billion sales and $15 billion of purchases. This is a deliberate misrepresentation of facts and an obvious attempt to establish in the minds of the Congress and the American people a false set of values insofar as American imports and exports are concerned. It has been acknowledged by all authorities that a minimum of 30 percent of our exports are not sales but are, in fact, gifts and other considerations under foreign aid, as well as another 30 percent in agricultural products for soft credit and other nonreturnable credits.

Throughout the year of hearings before our subcommittee, we made every effort to get testimony from persons who, from their public statements, appear to have information relative to the study we had undertaken. It is regrettable that for reasons beyond our control, the only information that we were able to obtain—from what appears to be authoritative sources—has been some public releases, testimony before other committees and through the media of TV, radio, pamphlets and illustrated sales booklets given to Members of Congress by departments of Government, importers and others interested in the proponent side of this problem.

It might be good to note that, according to the Wall Street Journal, the Secretary of Agriculture is proposing that the international wheat agricultural group increase the world market price of wheat in order to cut down the supports for exported U.S. wheat. On the weekend of March 10, an agreement was reached that the world price of wheat would be increased 12½ percent a bushel subject to member nations' ratification. This was done, according to this story, in order to cut $80 million a year off our U.S. subsidy costs. I would like to ask at this time how any American legislator can justify this action in the face of the proposal that this Congress has agreed to in the creation of a food-for-peace program? How can we, on one hand, justify to our conscience—if not to our constituents—increasing the world wheat price to our consumers all over the world while at the same time holding out the promise to the underfed people of the earth that this country's food program is for their benefit and relief? We were told that agricultural exports have to be maintained in order to sustain our agricultural economy.

Is there any difference, gentlemen, in protectionism for one phase of our economy by may of subsidies and for another part of our economy by way of tariffs? Does not this wheat deal show that world free trade will be a series of cartel agreements, fixed prices, international quotas, all contrary to our American concept of trade and free enterprise.

It has often been said that if you scratch a free trader, you will find a protectionist; it has also been said that protectionism has two faces, one of which wears the mask of free trade.

When a nation restricts its imports—by tariff, quota, multiple exchange rates, or whatever—it openly acknowledges its protectionism. But when it subsidizes its exports—a practice no less protectionist in principle—it often proclaims such policy a contribution to freer trade. Yet, of the two faces of protectionism, subsidies to exports and foreign investments often prove more offensive to a nation's trading partners than do moderate restrictions on imports.

There are many pages of testimony containing—in the reports of our subcommittee hearings—testimony to the great damage inflicted on the agriculture of the United States. Particularly, I would recommend the testimony of the Western Growers Association and the hard, cold facts showing the practical demise of the tomato industry in Nyland, Calif.

It would be extremely difficult to review all of the affected industries before this committee and I would recommend the reading of the hearings to those among us who appreciate the dangers involved in embarking upon the course of free trade embodied in H.R. 11970. At this point, let us make it very clear that, personally, I am an advocate of liberal, free—but equitable—trade relations. Let me assure you of my keen interest in the problems of the world and the relationship between these problems and the welfare of my country and my congressional district. However, I do not subscribe to the bogeyman tactics contained in one of the many pamphlets issued by the State Department which purports to show that unless we pass this legislation, all world trade will stop, the American people will no longer have any of the following items: automobiles, radios, TV, telephones, cocoa, tea, coffee, brazil and cashew nuts, olives and olive oil and many other items that Americans are accustomed to having. I feel sure we will not have any shortages of any of these, and especially not an insufficient supply of nuts, of all kinds.

Now, this problem can be discussed from its economic implications without getting into the realm of fancy, half-truths, misleading—and in many instances, misrepresentative statistics. Never in the history of this country—aside from national war emergencies—has this Nation been denied any of the trade items named in these pamphlets. Nations do not refuse to sell that which they have in surplus.

The very essence of free trade is the unrestricted selling and buying of goods between the peoples, States, and nations, based upon need and the availability of supply. It is only because of the industrial revolution taking place, most of it with aid from these United States, that the third element—price—has entered into the trade problem and which must be equalized before any enduring trade

policy can be established between competing nations.

This dangerous third element is the sales price, based upon cost of production in which a low-cost producer invades the market of a high-cost producer who, because of conditions beyond his control, cannot compete. The U.S. Government recognizes this very simple economic fact when it pays subsidies for the successful exportation of certain commodities. Other countries recognize this simple fact by resorting to one of the many forms of protectionism.

No one seriously questions the desirability of promoting world trade if it works to the mutual advantage of the countries participating in it. In the hope of expanding foreign markets for the products of the United States, Congress enacted the Trade Agreements Act of 1934 empowering the President to reduce our tariffs on foreign products in exchange for like concessions of foreign countries with respect to our products. It was the hope that such a program would stimulate and strengthen our domestic economy.

For the past decade, however, the United States has carried on this program with the primary objective of building the economies of other nations of the world and winning or retaining their good will without regard to the damaging effects upon our own industries and our own labor.

Our foreign-aid programs of the past two decades have provided foreign countries with American know-how, equipment, supplies, and materials at either no cost or at far less than the cost to American producers of like items. We have shipped modern machinery and equipment valued at $25 billion to these countries and have thus created abroad industrial plants as efficient as many of our own. The productivity of foreign labor has notably increased, yet foreign wages and foreign standards of living remain far, far below our own. Our own industries suffer a growing competitive disadvantage not only in foreign markets but in our own home markets. There is no section of the United States and very few communities where the adverse effect of foreign competition is not felt.

There may be some industries and some communities that will not be adversely affected by imports even if our economy is subjected to the further drastic dose of trade concession medicine now being recommended in Washington. But we doubt it. In any event, the important fact on which every American should focus is to recognize that the trade program pursued by our Government during the past 28 years has failed signally to promote the economic well-being and growth of our economy. The fact is that in recent years the rate of economic growth in the United States has been significantly lower than that of other industrialized nations. There are more distressed areas today than any time in our modern history except when the whole world was depressed.

Our strength and the strength of the entire free world require a vigorous, growing domestic economy. Our trade policy must be devoted first and foremost to that end. We cannot let industries wither and die and waste our substance and energies in relocating and retraining workers whose job opportunities have been handed to low-paid foreign labor as a result of ill-considered trade concessions.

I believe in giving the unemployed worker every bit of help we can in retraining for new jobs such as the Holland bill spells out.

However, how can any person in good conscience prescribe a remedy for an economy suffering from self-inflicted injuries? Would it not be better to try another prescription instead of doubling the doses of the old medicine?

We need American jobs first and job-taking imports last.

I have very firm convictions and sincerely believe that this approach will promote free trade on an equitable base.

No nation can be exploited during its growth years by low production cost industries in other nations. The economic levels of all nations will grow with their own economic growth and nations giving aid to underdeveloped areas will be free from competition, exploitation and profiteering of their own and foreign nationals.

Free trade can only fulfill its promise of better understanding when price does not make trade inequitable between trading nations.

No trade deal is a good deal if it is unprofitable or unequitable to the parties to the deal.

In winding up this presentation, I would like to give you a few things to think about that have a direct bearing on the issue: U.S. industrial wages, $2.96 per hour, including fringes; Common Market, 85 cents per hour, including fringes; and Japanese, 37 cents per hour, including fringes.

It stands to reason that when imports containing $1 billion worth of Common Market labor, enter the United States, they displace well over $3 billion worth of payrolls and seed money for our economy. One billion dollars worth of labor content imports from Japan displaces better than $7 billion worth of labor wages.

This is a loss in wages alone. The selling price of the imports does not alter this fact. Again, when we discuss taxes, let us remember that with 70 million people, Japan has a total budget of $6 billion, while the United States has a budget of $92½ billion for 184 million people. How can we fail to adjust these basic costs. With proper safeguards we can, and should, pass new trade legislation.

Outside of certain Government officials and a few who are representatives of foreign exporters or American corporations, operating abroad, every major supporter of the new trade bill wants certain restrictive covenants for their own protection. All of us have something to protect.

I want to vote for a new trade bill because I have been critical of the performance of the present trades legislation. I know we must have a trade pact, but I also know that it must give more than passing notice and lipservice to the American economy.

I have watched the press report of our own and other hearings. I have read most of the pamphlets and releases from all sources. I find that many of the proponents and endorsers of this legislation want exactly what I would like to have: a new trade bill, free from restraints that are artificial insofar as the real need for restraints is concerned.

I note that labor supports H.R. 11970, but wants protection against undue injuries to affected American workers. The Farm Bureau supports free trade for all but farm products affected adversely. The chamber of commerce supports free trade, but is opposed to job retraining programs for workers. The national manufacturers want free trade, but wants tax breaks both here and abroad. The textile association supports the legislation, but wants textile quotas and compensating tariff for differentials in raw-materials cost. The oil industry wants trade, but wants quotas and other restrictive covenants.

If you go through the House and Senate you will find that most of us are free traders, but we want certain protective covenants on glass, cotton, wheat, carpets, shrimp, fish fillets, lumber, sporting goods, fishing tackle, cheese and on into almost every line of production in the United States.

It is this complex demand of our economy and the realities of world trade that makes it imperative that we have new legislation. At this point, let me make it very clear and known to all as to just what I learned after many months of hearings and study of this many-faceted problem.

I learned that unless we work out a long-range, controlled program of international trade, this and other high-cost nations, will suffer very severe shock in their economy. There is no longer any real deterrent to universal production of manufactured consumer goods. All industry is dependent upon the activity of the consumer.

There can be no production without consumption. If you find that I repeat this statement, it is because I have had it drummed into me time after time for these many months.

Consumption does not restrict itself to consumer goods. It covers all sales for use either as food. housing, clothing, transportation, utilities, conveniences, appliances, in fact, every product changed from its natural or raw state, enters into the economy of consumption.

We, therefore, have before us a responsibility that cannot be set aside by propaganda, editorials, TV, or radio coverage or even the blanket or restricted endorsements from the whole populace outside the Congress.

It may be termed the Ball bill, the Hodges bill, or the President's bill, but in the cold facts of recorded history, it reflects—good or bad—upon the Congress that passes it. It is Congress' bill, and the full responsibility is our own.

I can say to you at this point that unless we get away from piecemeal concessions and write a bill universally fair, we should pass H.R. 11970 without any amendments whatsoever, except to make it cover all American industry, farming and mining.

Only in this way can we get an honest appraisal of its real values. If it is as good as the proponents say it is, it will be the greatest move we can make. It it is as bad as the opponents say it is, it will prove itself and changes will come very rapidly.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. DENT] has expired.

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield such time as he may require to the gentleman from Pennsylvania [Mr. SAYLOR].

(Mr. SAYLOR asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. SAYLOR. Mr. Chairman, for at least 6 months scarcely a day has gone by in which newspapers have failed to carry a story about the administration's liberal trade program. The barrage of speeches and news releases from every Department of the Government got underway long before H.R. 9900 was introduced, long before this session of Congress convened. Apparently the administration leaders decided that the most effective strategy would be to overwhelm the American people and their representatives with so much talk about opening our markets to a greater volume of foreign products that we would be willing to accept this legislation without providing for the protection of our own industry and labor.

The freetraders have been using every conceivable tactic. They have resorted to promises, entreaty, cajolery, and threats. The campaign for easier entry of foreign goods into U.S. markets has been skillfully waged by a veritable host of top Government officials and sycophantic internationalists. The White House has provided the leading voice to the chorus, though obviously the State Department is the conductor. Cabinet members and their prize underlings have joined in harmony. Forums on any given subjects have been transformed into medicine shows promoting the elixir of free trade.

Meanwhile, back on our districts, we have been exposed to the tragedy of chronic unemployment resulting from irresponsible trade policies that permit a growing variety of commodities from foreign countries to displace the products of the American worker. Many of the foreign-made products are on the shelves of our business houses—cameras, tape recorders, ornaments, typewriters, tableware and countless other consumer items.

I recently was shown a novel cigarette lighter that plays "Dixie" when it is opened. On the box is the name of the manufacturer, General Beauregard Co., of Tennessee. My friends from the South will want to know that, on the bottom of the lighter in scarcely legible printing, are the words "Made in Japan."

Nor do we have any difficulty recognizing the foreign made motor car, each of which represents employment for foreign automobile workers making only a fraction of what their counterparts here are paid. We should not overlook the fact, however, that the thousands of these imports also represent great quantities of steel not produced in our own mills and large volumes of coal—used to create the steel—not mined in this country.

Contrariwise, in many of the materials we use it is not possible to recognize if they emanated in a foreign country—such as some leather goods, textiles, building items and other unfinished materials. Prior to 1959 the United States had not been a net importer of steel for 55 years. Since then this country has consistently imported more steel than it was able to export. The estimates for 1961 are 3 million tons imported against about 1,800,000 tons exported.

Few Members of Congress represent constituencies that have escaped the economic horrors of unrealistic international trade policies, but in some cases we find our business and industry hit from just about every corner of the earth. The growing disparity between steel exports and imports has a disastrous effect in central and western Pennsylvania. We also are exposed to serious injury from foreign glassware, machine tools, electric equipment, and an assortment of other products. Residual oil shipped in from Venezuela and the Dutch West Indies continues to take its toll of employment in our State. In 1961 approximately 230 million barrels—equivalent to 55 million tons of coal—invaded our shores to take away jobs of coal miners and railroaders.

On December 22, just 3 days before Christmas, the Berwind-White Coal Mining Co. announced that its Maryland shaft 2 mine was ceasing operations at once. Result: another 146 men out of work. The company had no alternative. Its decision was forced because of the lack of demand for coal. The shutdown follows a pattern that has persisted since foreign residual oil first began to encroach upon coal markets shortly after the close of World War II.

One of the companies operating in my district has lost about 400,000 tons of annual production in the past year because an east coast electric utility has converted from coal to foreign residual oil. The case is not unique, because this pillaging of our traditional markets has pursued since the end of World War II, but I point out the incident because it accounts for the displacement of approximately 150 coal miners and almost as many railroaders in the past 12 months. Of course we were promised protection against too much foreign residual oil under the White House mandatory control program, but the levels have been manipulated to accomodate the desires of international shippers and have actually offered little protection for the domestic coal industry.

My colleagues have produced evidence of destruction by foreign-produced commodities in other fields, so I shall not attempt to insert into this discussion a product-by-product box score of market casualties that have been suffered by mannfacturers in the district I represent. One statistic which should be understood, however, is that foreign competition has destroyed 41 percent of the jobs in America's hand tool industries since 1947. How long are Americans willing to stand by and see a growing number of our fellow countrymen thrown out of work by the policies that are responsible for these conditions? Oh, I am well aware of the fact that the proposed legislation includes a subsidy for the industry that cannot meet certain types of foreign competition, and I recognize that the displaced worker will get a kind of Government compensation. The people I represent are not looking for subsidies. They want protection from the unfair competition that comes out of countries where wages are only a small percentage of those paid here. Our manufacturers and processors have made substantial investments in the machinery that produces efficiently enough to make it possible to meet the country's wage scales, but they cannot compete in an open market with countries which have been given the same machines—given by the American Government in its oversea aid program—and operated by men and women who make only a fourth or fifth of what their counterparts in this country receive for a day's wages.

Members of Congress are experiencing extreme pressure on this bill. What we must remember is that this influence originates in the State Department, whose interest lies exclusively in this country's diplomatic relations and is devoid of any consideration whatsoever for the plight of our own industry and labor. My own feeling is that Congress has for too many years deferred to the executive branch. The responsibility entrusted to the House and Senate by the Constitution has been largely surrendered to the very Department that has written a glaring record of failure in the field of international relations. To permit the State Department to continue to hold persuasion over foreign trade matters would invite further economic distress.

Congress today is faced with the job of repairing the crazy quiltwork of trade policy that has been shaped to the design of foreign demands. We must enact whatever legislation is necessary to protect American jobs from further effacement by mounting tidal waves of foreign-produced commodities on our markets. Our first responsibility is to the American people, and no amount of insistence by the globalists should be permitted to interfere with that responsibility.

In its present form H.R. 11970, the so-called trade expansion bill, retains the provisions for "adjustment assistance" for workers who are thrown out of their job by imports.

Mr. Chairman, I think Members of this body would be greatly interested in what the labor organizations that would be the most likely "beneficiaries" of "adjustment assistance" really think of it.

If we take a look at the debate during the AFL–CIO convention in Miami Beach last December we will get the flavor of labor's attitude. It will be noted that the heads of the labor organizations that would be most affected by "adjustment assistance" are anything but charmed by the prospects. They expressed themselves in no uncertain terms. They are not in favor of having

workers thrown out of jobs by imports and then being treated to retraining, possibly to shipment out of their home community and other such pleasant prospects as the enactment of the bill would bring.

Under leave to extend my remarks at this point in the RECORD, I include excerpts from the AFL–CIO debate in Miami Beach, Fla., on December 11, 1961, centering around "adjustment assistance":

EXCERPTS FROM AFL–CIO DEBATE ON FOREIGN TRADE RELATIONS, DECEMBER 11, 1961, BIENNIAL CONVENTION AT MIAMI BEACH, FLA., PROCEEDINGS, PAGES 51–67, THIRD DAY

Mr. E. L. Wheatley, president, International Brotherhood of Operative Potters:

"We are not anti to any foreign nation. We are anti to having the rights of Congress turned over to the State Department.

"You can talk of giving money to help distressed people and train them to come into new industries. * * * We do not think that program will get there in time to do any good in the way of offering relief for our people.

* * * * *

"But you people remember how long it takes the American labor movement to even raise the minimum rate here, and that is too long * * * to assume that the pottery workers and the other thousands and millions of workers who are being deprived of their job opportunities are going to sit and wait on the relief lines while some labor organization in these other nations brings up a decent minimum."

Mr. George Baldanzi, president, United Textile Workers:

"We are not for isolation. We believe in reciprocal trade. But our definition of reciprocity is that we will supply nations with products that they do not have, and we will buy from them products which we need and we do not have.

"We do not interpret reciprocal trade to be a concept under which we will permit low-wage areas or no-wage areas to destroy the economy of entire industries in this country, merely for the purpose of having friends.

* * * * *

"With due respect to President Kennedy, who I firmly believe has a feeling and a grasp of the problems of the world, I do not believe in the principle that we should give to any President the right as an individual to wipe out any kind of tariff or controls as an individual administrative act, because who may be President today made be one type of personality. Who may be President tomorrow or 5 years from now may be a completely different personality.

* * * * *

"When there are corporate interests * * * investing millions of dollars in the Common Market of Europe, that are establishing plants that are more modern than ours today, unless we get some safeguard against wholesale importation into this country, there is no guarantee that 5 years from now these same automated factories that are being built in many parts of the world * * * will not curtail operations in this country and dump all the cheap goods right back here in the United States."

* * * * *

Mr. Enoch Rust, vice president, United Glass & Ceramic Workers:

"Well, I went to Washington and I didn't have to stay long until I found that we did not have a trade program based on the law as written, the reciprocal trade program of 1934 and amended several times thereafter.

* * * * *

"Why are we excited? There was enough window glass imported in 1959 and 1960 to furnish over 4 million 6-room dwellings. * * * In that period of time (1959 and 1960) over a million automobiles were imported into this country carrying 30 million square feet of glass and carrying 5 million rubber tires replacing thousands of rubber workers, thousands of glassworkers, thousands of textile workers and thousands of automobile workers.

* * * * *

"We were told by Khrushchev that he was going to bury us economically. What did we do to help him do it? We gave him a spade to dig the hole with and to throw the dirt in our face."

Mr. George Burdon, president, United Rubber, Cork, Linoleum and Plastic Workers:

"In the rubber industry we are experiencing a serious challenge from the growing imports of rubber footwear. * * * Imports totaled 50 million pairs in 1959 and doubled to 100 million pairs in 1960.

* * * * *

"We have an average of $2.50 an hour versus an average in some other countries of 23 cents an hour. We cannot compete with that kind of competition."

Mr. George Fecteau, president, United Shoe Workers of America:

"In 1949 we imported 3 million pairs of shoes. * * * We exported 6 million pairs.

"Last year, 1960, we imported 30 million pairs * * * and our exports had dropped to 3 million pairs to all countries, so that the balance we have been speaking about certainly is not in favor of the shoe industry.

"Many of our companies in the shoe industry—the large companies, those who can afford to move—have moved to Japan. They have moved to Italy. They have moved to other foreign countries. Many of them have closed shoe factories here in the United States. * * * These companies are moving for profit reasons.

* * * * *

"We have estimated that unless some protection * * * comes about * * * the shoe industry here will become extinct as the dodo bird within 8 years.

* * * * *

"It is suggested that the people employed in those industries can go to other industries. As one who has been in the field and has seen factory after factory close down, and has seen the efforts of our union and these workers to place themselves in industry, I know that such talk is a lot of damned foolishness. It is not practical or just."

Mr. William Pollock, president, Textile Workers of America:

"Since 1934 we have been for reciprocal trade; but we feel as an industry and as representatives of the workers in that industry that we should not be offered up as a sacrifice on the altar of international trade.

"You know, it is all very well to be for international trade, but we represent workers * * * and they are told that in the interest of international trade we must accept the imports from other nations, and 'to protect you we will retrain you and prepare you to go into some other industry.' Well, I think this is fine, it is as it should be.

"But when you get an individual that has spent 20 or 30 years learning a skill * * * only to find his job shipped to some other nation and he is to be trained to go, maybe the electronic industry, where they are barely paying a minimum wage, it is pretty hard to convince him that this is a sacrifice he must make in the interest of world peace.

* * * * *

"I know that in 1962 when we have to elect a full Congress, if the representatives of our unions go to a Congressman in that congressional district and find that he is going to vote for a liberal trade program that will export their job to Europe, that he cannot count on their votes to send him back to Washington."

Mr. George Meany, president, AFL–CIO:

"If you read this resolution carefully, you will see that we are setting forth stipulations that we feel should go in this legislation.

* * * * *

"We call for retention of the escape clause provision in the new legislation, and then I would like to point to section 4 of the proposed resolution, that 'the new legislation should direct the President to take whatever action is necessary to mitigate problems of market disruption.'

"To all these organizations, I can say to you that when the legislation comes up * * * that our legislative department, our research department, our economists, and everybody concerned will cooperate with these organizations and try to get in the legislative safeguard to protect them to the maximum extent that is possible.

"But we cannot * * * depart from the idea of a reciprocal trade pact with the other nations of the world."

Mr. George Harrison, chairman of the resolutions committee:

"This resolution goes further than any other trade policy resolution adopted by this federation, in the direction of protecting our industries against undue hardship because of reciprocal trade agreements.

* * * * *

"If you will look at paragraph 6 you will find that it says 'In all phases of tariff and trade policy, the U.S. Government should seek to safeguard the absolute historic levels of production of significant industries.'

"Now that means only one thing. Certainly imports shall not be permitted to the point where it causes serious injury to any of our historic industries."

The resolution was carried.

Mr. Chairman and members of the Committee of the Whole House, with due deference to those Members who will vote for this bill, in my opinion this bill will give away not only American jobs but also the last vestige of our self-respect.

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. BARRY].

Mr. GOODLING. Mr. Chairman, will the gentleman yield?

Mr. BARRY. I yield to the gentleman from Pennsylvania.

(Mr. GOODLING asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. GOODLING. Mr. Chairman, the bill we are considering today is one of the more difficult ones so far as reaching a just and honest decision is concerned. Proponents and opponents have valid and logical reasons for their stands.

The European Common Market has been responsible for a great deal of discussion and has been used as an argument in support of this legislation. Unfortunately, that market could not, by any stretch of the imagination, be considered a stable one. What will England do and what impact will her decision have? Hasty action on our part now might well rise up to haunt us later.

I would like to address my brief remarks today to an industry very vital to the economy of my area; namely, the manufacture of shoes.

A report from the Pennsylvania Department of Labor and Industry, states that employment has reached a peak for 1962, but then adds this significant figure which could conceivably be raised by the passage of this bill: Seven and

three-tenths percent of our labor force is unemployed.

The congressional district comprises three counties, all of which manufacture footwear. The figures of the smaller county are significant and revealing. Forty-one percent of the total employed in industry are employed in some phase of footwear manufacturing.

Nationally it is significant to note for the first 4 months of this year, 19.5 million pair of all types of shoes were imported. This compares with 9.8 million pair for the same period in 1961.

The same comparison for leather footwear only is 10.6 million in 1962, and 6.9 million in 1961. While imports have been increasing at this alarming rate, exports have dropped from 4.4 million in 1957 to 3 million pair in 1961.

The U.S. shoeworker is paid more than any other in the world. He receives two to five times more wages than his foreign competitors.

We hear of retraining and the question arises: retraining for what? In my area, there appears to be a sufficient supply of labor for available jobs.

We also propose to subsidize industry injured by imports. If there is a way to administer this proposal, I have not heard of it. This entire phase of the program might well become a glorified unemployment compensation deal. My people want jobs, rather than unemployment pay.

This bill, if enacted, might well be the beginning of the end of a great deal of our shoe industry. Some way must be found to avoid this.

(Mr. BARRY asked and was given permission to revise and extend his remarks.)

Mr. BARRY. Mr. Chairman, more often than not, at this point in the second day of a debate of 8 hours, it is difficult to see the forest for the trees.

We have heard so much about this bill that it is good to look at exactly what this bill is and why it has come about.

We, first of all, are the creators of the need for this legislation, because this bill is basically to prepare this Nation to compete with the Common Market. But the Common Market is our creation. The Common Market is the extension of the American dream. It is the extension of the trade system which we developed in this country when we did away with the trade barriers and the employment barriers between the States. Therefore, where does this place us in point of time insofar as history is concerned?

Let me read to you the words of John Morley, who 80 years ago said:

> Great economic and social forces flow with a tidal sweep over communities that are only half-conscious of that which is befalling them. Wise statesmen are those who foresee what time is thus bringing, and endeavor to shape institutions and to mold men's thought and purpose in accordance with the change that is silently surrounding them.

I submit that is exactly where we are today.

There has been some talk about postponing the action we are about to take today. I submit to you that there is a basic weakness in this proposal. We did not take action a year or two ago to meet the challenge which we have been setting up in Europe when we first recognized that the only way Europe could survive was through the Common Market. The only way they were able to compete with communism was to unite and become stronger economically and militarily than the Communists. Therefore, having made that decision several years ago, we certainly should have created the machinery several years ago to compete in every way with such market when once it was created.

It has been said, "Let us not jump into an empty pool of water." I submit we have been dropping pebbles into this water through our reciprocal trade for many years. We have seen the ripples from this pebble grow, we have seen our exports climb from $2 billion to $20 billion. This is not a small amount of dollars, and this does not mean a small number of jobs have been created in this Nation. On the contrary this means that there have been several million men and women employed to produce the products that have been the beneficiaries of our policy with regard to reciprocal trade.

What about the major difficulty of the bill so eloquently brought out by my distinguished colleague from New York [Mr. GOODELL], who really knows the subject of retraining and adjustment assistance? I would say to you that we are not the sole body that is acting on this bill. I would say to you that there will be two other opportunities to correct what the gentleman from New York has so definitely brought to our attention. But in the meantime we should act responsibly on this and separate the important from the unimportant, and take action today and not postpone action into the future.

It is my honor to represent in Westchester and Putnam Counties, N.Y.; I suppose, the leadership of every major industry that has a New York office. If I do not have the president I have the executive vice president or the chairman of the board or someone in substantial authority who lives in this area. Let me tell you what the people of Westchester think about the action we are about to take today.

I asked them, Should the United States protect exports through mutual tariff and quota reductions which would lead to growth in certain industries but contraction in others?

In reply, 67 percent went on record in favor and 13 percent were opposed, and we heard from 35,000 voters.

I strongly urge passage of this bill today.

Mr. MILLS. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. REUSS].

Mr. REUSS. Mr. Chairman, I am grateful to the gentleman from Arkansas [Mr. MILLS] for his brilliant leadership in the production of this important bill and, more immediately, for yielding me 5 minutes so that I can make a small contribution to the debate.

Once to every man and nation, so the old verse goes, comes the moment to decide. The United States is that nation. This is that moment and the decision basically is whether we are going to fall back into isolation or whether we are going to go forward in the mainstream of history. I think the decision is important both for ourselves and for the free world. As a member of the Joint Economic Committee, one of my jobs is to worry about full employment and maximum growth and our balance of payments. The situation that confronts us is this. We have 5.5 percent unemployment in this country while in the Common Market there is over full employment, and the danger is rather one of inflation. In this country our growth rate has been an alarmingly slow one, around 3 percent a year, and in the Common Market countries it has been an effervescent rate of almost twice that.

Our balance of payments still remains a problem. And it is ironical that the Common Market's problem is one of annual surpluses of about the size of our recent yearly deficits.

Just the other day I had the opportunity of greeting a group of about 200 German housewives who were here visiting in one of the Senate rooms. In the course of greeting them, I asked the ladies how many of them had a dishwasher appliance in their homes. Three hands were raised. Then I asked how many wanted a dishwasher, and 200 hands went up in the air. This suggests there is a tremendous range of American goods, products of our farms, products of the factories, machinery, chemicals, paper products, appliances, which if we have but the wit to do it, we could get into that European market. By selling our goods to Europe we could at the same time do something for our jobless, do something for our lagging growth rate, and do something important about our balance of payments.

From the standpoint of the free world, here is a tremendous opportunity for us to come to the rescue of Canada, Australia, New Zealand, the countries of Latin America, the unaffiliated countries of Africa, and Asia, the old countries of Europe like Switzerland, Sweden, and Austria that would cheer our leadership in bringing down Common Market tariffs for the benefit of the whole free world. We need this bill desperately and when it passes, as I fervently hope it will, we need vigorous action by the administration to put it into effect.

I have heard distinguished Members here today state their opinions on what is going to happen in the negotiations between the United Kingdom and the Common Market. One is sure that the United Kingdom's entry is imminent. One is sure that the United Kingdom is not going to enter the market. I cannot guess what the result is going to be, but in one respect, the outcome of these negotiations is of vital importance to the bill before us. If there is one imperfection in an otherwise superb bill—if there is one wart on an otherwise perfect image—it lies in the wording of section 211, the 80 percent clause permiting us to bargain the Common Market tariffs down to zero, because that clause has little or no meaning unless and until the United Kingdom does join the Common Market. I hope they do. But I would very much hate to see our whole trade liberalization program hinge on

the timing of Britain's entry into the Common Market. So I hope that at a later legislative stage, it may be possible to improve section 211 so as to not make our tariff bargaining powers dependent upon the vagaries of European politics.

I hope, too, that the administration, if this bill comes law, will move very vigorously to put it into effect. The President at his press conference yesterday said:

> If we cannot make new trade agreements with the Common Market in the coming year, our export surplus will decline, more plants will move to Europe, and the flow of gold away from these shores will become more intensified.

Action is what we need, and action is what the President proposes to get.

In a few minutes, we shall be voting. Let our decision be one that looks, not inward to our own problems, but outward to the free world.

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield 5 minutes to the gentleman from West Virginia [Mr. MOORE].

(Mr. MOORE asked and was given permission to revise and extend his remarks.)

Mr. MOORE. Mr. Chairman, at the outset I want to commend the chairman of the Ways and Means Committee for his presentation here today. He has given a tremendous performance and has spoken sincerely his thoughts about H.R. 11970. I respectfully, of course, disagree with him and disagree with those who talk in a general way about the necessity of enacting H.R. 11970.

I asked the chairman of the Ways and Means Committee a question earlier with respect to the manner in which this bill would be administered in the event it was enacted into law. He indicated, and there was some applause following his answer, that this bill was not brought to the floor simply on the basis that it would be administered by the State Department of the United States. I suggest to the House that if you look at the title of the bill you will find it is a bill to promote the general welfare and the foreign policy of the United States. Anybody in his right mind certainly knows, as has been the case through a long number of years, that the reciprocal trade program, is administered by the State Department. It is necessary then to look at the statements of those who will administer this program to realize how it will affect our domestic industries.

There are a number of Members on the floor who have asked questions about domestic industries in their States and districts and how they will fare under this bill. The answer has been a broad one and to the effect that within H.R. 11970 there are mechanics to protect these domestic industries from the great amount of additional foreign goods that this bill will permit to come into the United States. The discussion pointed out the retention of the escape clause.

However, the individual who is going to be primarily responsible for the administration of this bill recently stated before a European meeting that he was apologizing for the action taken by this administration in relationship to the flat glass case and to the carpet case, saying that the President of the United States had no other course left open to him under present law than to take the recommendations of the Tariff Commission in these instances and implement them. This is what Mr. George Ball the Under Secretary of State said to these European nations in apologizing for the action of the President in these tariff cases. He stated that no other administrative relief was available to the President but that after the enactment of the new trade bill things would be different, that the President would have different administrative relief that would be available to him, and that when an American industry suffered injury in the future the Tariff Commission recommendations would not have to be followed for under the new law he could give financial assistance to the American industry destroyed and as for those who lost their jobs they could be retrained.

In the debate today I have heard so much about retraining programs that we are going to get to the point where we will have to have a program to retrain the people who are retraining the workers. Mr. Ball said further that industries finding themselves not adjusting to lower tariffs will be given various types of financial assistance to enable them to shift to new lines of production and workers will be helped by retraining them. As to whether or not American industries could get relief from the Tariff Commission, listen to this observation by Mr. Ball:

> Import restrictions may be resorted to only as an exceptional procedure and only for a limited period of time.

This should be the answer to those who are worried about their local industries. No attempt will be made to help them.

We have heard a lot of talk about consumers. A colleague of mine on our side of the aisle said he has the presidents of all the big corporations in his district and he is for the bill. Well, I have the workers in my district and they are not for the bill. I have 1,200 toy workers in my district who are presently being told that in the next 5 months the toy manufacturing facility will be closed down unless the employees will take a severe cut in wages. This is the largest manufacturer of toys in the United States, the president of that company may be for the bill but the 1,200 people have a lot of questions they would like to ask.

If this bill goes into effect, there is no question that that toy manufacturing facility is going to close. It may even do so even if we do not pass this bill because of the effects of past trade legislation on their business.

Mr. Chairman, I am opposed to this bill, and I will vote for the motion to recommit to extend the present act 1 year and I do that with grave misgivings.

Mr. ALGER. Mr. Chairman, I yield such time as he may desire to the gentleman from Wisconsin [Mr. SCHADEBERG].

(Mr. SCHADEBERG asked and was given permission to revise and extend his remarks.)

Mr. SCHADEBERG. Mr. Chairman, I am opposed to H.R. 11970 for the following reasons:

First. It is a bill which begins on the false premise that this Government has the right to enact legislation that will deny its citizens employment opportunities. It is true that the bill makes some provisions to place the worker under a Federal welfare program when he is denied his job and it provides for Federal aid to businesses for rehabilitation after they are destroyed by unrestricted imports arising out of "deals" made at the trade bargaining table, but it is not sound legislation, in my estimation, that makes the role of government one of dictator over the life and death of industries and jobs.

Second. It is a bill which begins on the false premise that it will result in the close down of industries and denying of jobs and does not and cannot offer any assurance—conjecture yes, but not assurances—that it can or will provide new industries and new jobs.

Third. It places far too much power into the hands of the executive branch of this Government. The potentiality for misuse of public funds in the offering of financial aids to business and labor alike is tremendous. I do not question the integrity of those who would administer the program but I suggest that Paul gave sound advice when he said men should not place stumbling blocks—temptation—in their brother's way.

Fourth. It denies equal treatment to various segments of our economic and industrial society. On what basis do we legislate to give anyone the dictatorial power to favor one group over another and we do just this when we provide the machinery with which one industry is "traded" for another at the discretion of the President or anyone he may designate to act for him.

Fifth. It places no limit on the ultimate cost of the program since it cannot now even be estimated.

Sixth. It has all the earmarks of the beginning of Federal control over industry even as such control was denied by this body over the farmer.

Mr. ALGER. Mr. Chairman, I yield 1 minute to the gentleman from Indiana [Mr. BRAY].

(Mr. BRAY asked and was given permission to revise and extend his remarks.)

Mr. BRAY. Mr. Chairman, this debate on the President's trade bill has been most confusing. The proponents of this legislation, the press and innumerable speakers throughout the country have been pointing out the advantages of expanded trade particularly as it concerns the serious situation of our credit relations with foreign countries and the stabilization of our gold outflow. No one can deny that trade is important. The proponents this trade bill claim that we must give the President greater authority to lower our tariffs in order to expand foreign trade. While the Constitution in article I, section 8 says "the Congress shall have power to lay and collect duties regulate commerce with foreign nations," yet through the Trade Agreements Act our Presidents have had this authority for some years.

Under the guidance of our State Department, our Presidents have made many treaties pursuant to the Trade

Agreements Act. The trend for a number of years has been to lower our tariffs so that today we have lower tariffs than almost any nation in the world. Apparently for some years our so-called reciprocal trade agreements have lowered our tariffs but at the same time had little effect in getting other countries to lower theirs.

In making these reciprocal trade treaties our State Department apparently has acted on the theory that our standing in industry, business, and labor was so completely and indestructibly established that it would continue to flourish regardless of outside competition or influences. So in order to assist other countries they have permitted our tariffs to be lowered but have not insisted on receiving similar benefits from the other countries, which is in complete disregard of American business, labor, and farmers. There is no trade act that Congress can pass that will assist America in our trade problem today unless the parties who negotiate those treaties keep foremost an interest in the welfare of America and Americans.

Because of our enormous commitments abroad for foreign aid, we must export in value more than we import. The increase in imports into our country is draining American gold to foreign countries and has placed the United States in its most precarious financial position of many years. The American people have not been made aware of how serious our trade situation has become.

In round numbers, here is our present situation: Our gold reserve has sunk to less than $16.5 billion. By legislation we are required to maintain a reserve of $11.5 billion in gold to protect American currency. This would leave $5 billion in our gold reserve. Today we have short-term obligations outstanding to foreign countries amounting to $22 billion. If these countries were to demand payment in gold, which by international law they can do, we would lack $17 billion in gold to meet those obligations. Only a Pollyanna can fail to recognize this as a most serious problem.

Over a period of several years I have been pointing out on this floor and to my constituents in my district the loss of jobs and industry which has resulted from these trade agreements. Allow me to point out by specific example the manner in which some of these trade agreements are unfairly operating against the interests of America.

Today we in the United States can mine, transport and deliver coal to practically anyplace in the world cheaper than it can be produced in that country. That is especially true in England, France, West Germany, and Italy, which countries now hold a great part of the obligations which are so embarrassing to us today. Yet these countries are, by exorbitant tariffs, quotas, and prohibitions, blocking the shipment of American coal into their countries. If the United States could and would negotiate for the sale of American coal to these countries it would give thousands of jobs to American workmen, help the railroads, and bring gold back to this country.

A good example of the way in which the present policy is working is that, while American coal could be delivered into France at a fraction of what it costs her to purchase it from other countries, we are not allowed to ship coal into France; yet in the import and export of automobiles the American manufacturer who ships a car to France must pay a 28-percent tariff, yet the French manufacturer can ship a French car to the United States for 8 percent tariff. Is it any wonder that America is losing jobs for our workers and that our gold is so fast going abroad, much to our embarrassment?

The zeal of members of the State Department to befriend other countries has gone far beyond the mere negotiation of trade treaties. Two recent actions which are adversely affecting our farmers are as follows: In the sugar extension act which we are considering, our State Department is for a plan of world quotas which prevents the American farmer from adequately expanding domestic sugar production, which in turn prevents the American farmer from removing from feed grain production land which he desires to plant in sugarbeets. This plan, which is desired in the area in which I live, would give material income to the farmers, would remove from grain production land which contributes to our grain surpluses and would have produced sugar, sugar for which we are sending our gold abroad.

Just last year it was brought before the House that Edward Martin, the Assistant Secretary of State for Economic Affairs, deliberately blocked a transaction whereby Brazil, in return for our purchase of sugar, would have purchased wheat from America. Mr. Martin was agreeable to our purchase of sugar from Brazil, but said that there was no need for them to buy American wheat and that he, Mr. Martin, did not agree with the congressional policy to encourage such a transaction. This matter is well documented in the CONGRESSIONAL RECORD of August 3 and August 15, 1961. I merely am pointing these two matters out to emphasize the fact that one of our greatest difficulties in trade today is the basic philosophy of the members of the State Department, who are the principal negotiators in our trade treaties.

At the Lincoln Center in New York City, an urban renewal project in which the Government has authorized $31 million Federal assistance, the stone is being quarried and fabricated in Italy—a building stone inferior to that produced in America and especially to the limestone in Indiana. Our country as a whole and my district in particular is being seriously injured by the importation of meat, glass, stone, ladies' garments, veneers, shoes, oil, sewer pipes, structural tile, electrical equipment, rubber clothing, latex products, brushes, doors, parts for radio and television.

Our trade policies today are forcing us to export hundreds of thousands of jobs. The handling of our foreign trade has made it impossible in many instances for American industry to produce here in the United States and still compete with the industries of other countries, so that in the last few years we have spent over $30 billion building factories abroad. Following is a very brief list of some of the businesses which have opened factories abroad: General Motors, Ford Motor, H. J. Heinz Co., Parke, Davis & Co., Johns-Manville Corp., Hamilton Watch Co., Minneapolis-Honeywell Regulator Co., and a thousand others.

I do not claim that our trade policies are the only cause of this gold depletion and our serious industrial problems. However, a substantial part of the blame for our current dangerous monetary condition can be placed on those officials who have negotiated our trade agreements. Reciprocal trade is not essentially a political matter; both parties have been partially responsible for this rapid decline in the gold reserve but today only the present administration can take steps to save our country from a most embarrassing and dangerous situation.

American officials have been in Europe several times recently asking that these creditor nations forego any demands for payment of their obligations. This certainly is a sorry position in which our country finds itself. Dr. Walter Heller, Chairman of the President's Council of Economic Advisers, is now in Paris seeking European advice on our financial situation and attempting to find a way to stop the drain of American gold. Canada is faced with a similar problem of the depletion of her gold reserve and with heavy imports. The thing that she is doing to correct it is to raise certain of her tariff rates.

No trade bill nor legislation alone will solve all of our financial problems. Those who are negotiating trade agreements must change their attitude on the protection of American labor, industry and agriculture. For years the trade policy worked out by the State Department has been gaged to assist other countries and to make friends. This has certainly been commendable; however, our principal interest must always be to look after the welfare of America.

The bill before us today would give the President far greater power in making these treaties. It allows him to cut tariffs by larger amounts and at a faster tempo, and makes it more difficult for an injured business to get relief and virtually impossible for Congress to block any tariffs which it believes detrimental. The administration has admitted that this new trade bill would destroy industries and cost American workingmen their jobs.

We have no reason to believe that those people who negotiate trade treaties for the President will protect American interests any better in the future than they have been doing, so I cannot support this legislation which will give those negotiators greater power and less restraint from the peoples' representatives—the Congress.

Regardless of whether this bill will pass or not, I hope that these 2 days of debate have brought forcibly to the attention of those of our State Department, who are principally responsible for the negotiating of our trade treaties, the precarious condition which we are in;

and will cause them to make a reappraisal of their trade philosophy and to use commonsense and show an interest in the welfare of the United States. In giving concessions abroad they should insist on fair treatment to American interests and the people by whom they are employed, the American public. If this is done our problem will be well on its way to a solution.

(Mr. STAGGERS asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. STAGGERS. Mr. Chairman, in deciding how to vote on a given issue, a Congressman must take into account his absolutely unique position among all the public offices in the United States. His office is the single one in the whole Nation that can be filled only by direct vote of the people. The Presidency, if vacant during a normal term, may be filled through legally stipulated orders of succession. So may a governorship. A senatorial seat, vacant under the normal term, many be filled by appointment. But no power on earth can fill a Congressman's post except a vote of the people. The makers of our Constitution deliberately provided that no outside influence should have effect in determining who should stand for and speak for the people in the House of Representatives. A Congressman, therefore, who does not represent the interests of the people of his district is derelict in his duty, and they might as well have no Congressman.

It is with this thought in mind that I rise to speak on the bill before the House. Two vital interests in my district are affected by this bill. They are: the coal industry, with all its connections with other industries; the glassware industry.

The coal industry is not only important to the local economy of West Virginia. It is vital to all the interests of the United States. It is the only dependable and inexhaustible source of energy in the Nation. Without coal there is no steel; without coal there is little or no electric power. Without coal we could not fight a war or maintain our peacetime productivity. Coal is also the base of innumerable everyday products, from drugs to dyes to synthetics. With the exception of agriculture, I would say that a flourishing coal industry is the one indispensable industry in this or any other country.

Yet coal has never asked any favor from Government. It carries no subsidies for production. It is protected by no tariffs. The Government has not built or subsidized any means of transporting it to customers. Coal has been content to grow on its own merits. Again with the exception of agriculture, it is one product in the United States whose cost has not been doubled and tripled and more by inflation. Some say that John L. Lewis has priced coal out of the market. The reverse is true. Coal is cheaper today than it was 14 years ago, and the credit goes to Lewis. A coal miner today is paid 8 times a Japanese miner's wages, for instance. But he mines 14 times as much coal, and a ton of coal can be mined and delivered in Japan at about half the cost of a ton of Japanese coal. We actually export coal to Japan, and we are capable of exporting it to any spot on earth and selling it at a lower price than any coal from elsewhere. That is, we could do so if there were not Government interference with absolutely free trade. I mean not only interference by the Government of the United States, but interference by the governments of importing countries. In Canada, for instance, the Canadian Government offers a subsidy of up to $5 per ton to carriers of domestic coal. In some Latin American countries, we sell coal, but find it difficult or impossible to collect because of Latin American regulations regarding money transfers.

Meanwhile, the competitive fuels of oil and gas have been given an unfair advantage. Foreign oil is dumped in American markets at less than the cost of production in order to obtain foreign exchange for the producing countries. Quotas of residual oil are increased in order to furnish a needed outlet for foreign oil and help preserve their economies from collapse. But nothing is done for coal, and nothing is asked by coal except to be freed from unfair competition.

The glassware industry is in pretty much the same situation. No subsidies, no Government favors. And the industry is also important to the United States, as we found out in the First World War, when we woke up to find we had domestic sources of materials necessary for a variety of war instruments. West Virginia today produces some of the best-known glassware in the world. It is sold under such renowned names as Morgantown, Seneca, Fostoria, Blenko, and others. It is so well known that foreign competitors have stolen the models, made cheap imitations, exported the product to America, and are offering it to American consumers as the real product of American industry, in plain violation of American patent laws.

Both the coal industry and the glassware industry have protested to the Government over these unfair practices. They have asked for reduction of import quotas and for other steps that would put our own industries on a truly competitive basis. I personally have added my own protests, here in this Chamber, and before the proper administrative agencies. The most candid answer we have got so far to our protests is that we are fighting a lost cause, and the glassware industry, for one, might as well get into another business.

The bill presently before the House is theoretically intended to promote true competitive trade between nations by making it "free." The big question is: Will it do so? Experience answers: No proposal for making trade "free" has worked in the past. Something always happens to evade or overturn agreements.

Three things affect the amount of free trade that can be carried on between nations over a period of time. The first of these, of course, is tariffs. Tariffs can be reduced or removed entirely, but it still does not follow that free trade will result. A more effective deterent to trade is import quotas. The principal trading nations of the world are using them with greater and greater coverage. There is no point in removing import duties if the goods are not to be admitted at all. A third determinant of free exchange of goods is government policy. Any government must determine what policy seems best for its own interests. If a foreign government decides that it is in the national interest to subsidize and export a given product for any given national purpose, say to obtain foreign exchange, or to promote buy European programs, that is within the governments province. But it might invalidate trade agreements.

It is well within the interests of the people of my district to have assurance on these matters of uncertainty. Up to this time, the discussions on the floor of the House have not provided such assurance.

Statistics from the U.S. Tariff Commission

Imports of table and household glassware:

1958	$24,557,000
1959	32,294,000
1960	34,386,000
1961	34,424,000

The above figures reflect the value at which they are declared. Those are the figures comparable in quality and quantity to our U.S. products. The foreign value would be 40 percent of the above figures.

Percentage of consumption supplied by U.S. producers:

	Percent
1958	54.0
1959	49.9
1960	49.3
1961	49.7

Percentage supplied by imports:

	Percent
1951	21
1955	34
1957	38
1958	45

(Mr. MONAGAN asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. MONAGAN. Mr. Chairman, I believe that the motion to recommit this bill should prevail.

In essence, if this motion is carried, it means that the existing reciprocal trade law will stay in effect for another year. In this way, the present status will continue. I feel confident that nothing will be lost in this way and much may be gained.

The present economic deterioration in Canada and the apparent difficulty which Great Britain is experiencing in gaining admission to the Common Market are two developments which emphasize the changes that can take place and are taking place in the world trade picture and underline the need for caution in this legislation which poses an increased threat to jobs and industries in this country.

Proponents of this bill agree that this legislation will in many undetermined areas cut down jobs and industrial activity in this country. They are not able to say where the jobs will be lost, but the whole adjustment assistance section is based on the assumption that there will be substantial job loss.

In my section of the country, the effect of lowered trade barriers are well known. We have been feeling their depressing influence for many years. In the manufacture of clocks, of bicycles, of needles, of rubber footwear, and of brass goods,

we have felt the gradual and increasing flow of imports that now has risen to flood proportions.

Our bicycle manufacturer has ceased operations. The clock industry is working on a reduced and marginal basis. The plumbers brass division of one of our large plants has been closed.

The share of imports of rubber footwear, one of our major industries, has increased from approximately 2.6 to 56 percent of the American market in a period of 8 years.

Only a short time ago, in the pin manufacturing industry, which is centered in my district, the Tariff Commission recommended an increase from 20 to 35 percent in our tariff because the Commission found substantial injury to our manufacturers through foreign imports which had reached one-third of the American market. Unfortunately, the President did not sustain this finding of the Tariff Commission.

It is obvious, therefore, that we are speaking of fact and not theory.

Concessions have been made in many fields to obtain support for this bill. They have been made in glass, in carpets and in textiles. Even in the area of labor, some concession is made in the adjustment assistance sections of this bill.

No concessions have been made in manufactures in my district and even recommended relief has not been permitted to take effect.

I regret to say that the promised increase of imports to the Common Market would not be possible for us since their wage rates average about one-third of one-fourth of ours while their plants and equipment are as good or better than ours. Indeed, much of this equipment has been provided by our country.

I will grant that the committee has greatly improved the present bill over that which was originally bill H.R. 9900. However, questions still remain. In my view, the 5-year period is too long for an experimental plan. The elimination of the peril point provisions and the alteration of the escape clause provisions are unfortunate.

Finally, both the benefits and the detrimental effects are purely speculative since no one admittedly can furnish statistics to show what will happen in a given industry or given section.

Where there is such danger to our jobs and industries, therefore, I believe that caution should be the watchword. Once gone to Europe, to Japan or even to Hong Kong, they will not quickly return.

I urge, therefore, Mr. Chairman, that we move slowly in this vital field. The passage of the motion to recommit will give us a year to study this problem. I urge its adoption.

(Mr. MOORHEAD of Pennsylvania asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, the President of the United States of America has proposed that the Congress of the United States enact the Trade Expansion Act of 1962.

The President has done so for international political and national economic reasons.

In the field of international relations, the question presented to the Congress—and to the entire free world—is clear: shall the free world come together in one great trading community which includes not only Western Europe and North America but also Japan, Australia, Latin America, and Africa—or do the free nations go their separate ways fragmenting the non-Communist world? Such a free world trading community would represent a concentration of economic power and economic dynamics beyond anything the world has yet seen, and far beyond any of Mr. Khrushchev's dreams. Such a trading community would so clearly demonstrate the vigor of its competitive free market consumer economy that, to more and more people, communism would look like a wave of the past.

To move ahead in the political aspects of the cold war, the Congress should enact H.R. 11970.

But in the search for political victory in the cold war, is there danger of enacting legislation which will weaken our economy and thus lead us further from the victory we seek?

On the national, as opposed to any particular local scene, the answer is clearly in favor of the trade bill.

For many years the United States has had a surplus in its balance-of-trade account. In 1961 this surplus amounted to $5.4 billion, the difference between $19.9 billion in exports and $14.5 billion in imports. Unquestionably, more jobs and more business have resulted from exports and from those imports which support American business by providing essential raw materials than has been lost by that portion, approximately 40 percent—U.S. Department of Labor, Bureau of Labor Statistics, "Employment in Relation to U.S. Imports, 1960," Washington, D.C., 1962, page 6—of imports which might be considered competitive with American industry.

More liberalized trade would undoubtedly stimulate both exports and imports. However, if the past can be considered a guide to the future, there is no reason to fear such an outcome. If American exports are compared to American imports for the last several years, it is clear that the ratio between the two has clustered around a value of 1.4—American Enterprise Association, "Special Analysis, Foreign Trade: Part II, Economic Consequences of Trade Liberalization," Washington, D.C., March 5, 1962, pages 32 and 33.

This means that since approximately the end of the Second World War the United States has exported, on the average, about $1.40 worth of merchandise for every dollar's worth imported. If anything close to this ratio can be expected to hold for the future, and in view of the fact that 60 percent—American Enterprise Association, "Special Analysis, Foreign Trade: Part II, Economic Consequences of Trade Liberalization," Washington, D.C., March 5, 1962, page 6—of imports do not compete with but actually support American industry, then it is clear that any policy which seeks to inhibit the total volume of our foreign trade would not be good for American business. Conversely, any policy which seeks to stimulate exports and imports should be in the public economic interest.

Because of the diversity of our economy, I recognize the fact that there may be some congressional districts where competition from rising imports might, in the short term be damaging, despite the fact that other districts may be gaining more through increased export sales. Even in such districts, in a dynamic economy, with generally higher incomes and sales, there will in the longer haul be more jobs and more business for everyone. That is, the more rapidly the United States can expand its total trade the greater will be the rate of economic growth and the less time it will take, and the less painful it will be, to make necessary adjustments. Efforts to inhibit trade expansion will only delay the adjustment process, not eliminate it. Some jobs are already lost—for whatever reason. The task is to make up these jobs and more. The only way to do this is to expand total business, including exports.

For these reasons, at the national level, the U.S. Chamber of Commerce, representing American business, and the AFL-CIO, representing American working men and women have endorsed the trade expansion bill of 1962.

But what of the economic position of the district and the people who have elected me to represent them in Congress? Will my support for the bill be in their best interests? A Member of Congress in a district close to mine has, after extensive study, concluded that expanded exports and expanded imports would not be economically helpful to the people of his district.

Because of this, and because of my own very real concern for the business and employment conditions in the Greater Pittsburgh area—the Greater Pittsburgh area includes Allegheny, Beaver, Washington, and Westmoreland Counties. I have had an independent economic study made of the significance of the Nation's trade policies for employment and business in the Pittsburgh metropolitan area. The study was prepared by Mrs. Jean Gray, of the Economics Department, University of Maryland. Use was also made of Arthur Longini, "Region of Opportunity: Industrial Potential Along the Pittsburgh-Youngstown Axis," the Pittsburgh & Lake Erie Railroad Co., Pittsburgh 19, Pa., 1961.

This study has led me to the following conclusions:

First. The Pittsburgh region's productive capacity is greater than the domestic consumer market which it serves.

Second. If the Pittsburgh region's business is to prosper and if its employment is to increase, existing markets must be expanded and new markets must be created.

Third. Pittsburgh is an export city, selling not only to the rest of the country, but to the rest of the world. In

1960, Pittsburgh's share of the Nation's exports exceeded its share of the Nation's employment by some 22 percent. This supports the contention that one of Pittsburgh's best hopes for economic growth is through the continued expansion of her oversea sales.

What are the important Pittsburgh manufacturing industries which contribute to the Nation's exports and what do these exports mean in terms of Pittsburgh employment and Pittsburgh business?

Insofar as employment in manufacturing is concerned, the annual average employed in Pittsburgh in 1960 was 291,000—Pittsburgh employment figures from the U.S. Department of Labor, Bureau of Employment Security, U.S. Employment Service, Washington, D.C., June 15, 1962; U.S. figures from Board of Governors, Federal Reserve System, Federal Reserve Bulletin, Washington, D.C., May 1962, page 634; Pittsburgh reported exports from U.S. Department of Commerce, Bureau of the Census, Current Industrial Reports, Washington, D.C., May 4, 1962, pages 2; 20. Ten industrial categories employing 269,400 persons, or almost 93 percent of the total, reported exports that year of at least $1 million. In these export reporting industries an estimated 29,600 jobs in the Pittsburgh area or about 11 percent of total employment, could probably be attributed either directly or indirectly to production for export—Pittsburgh employment figures from the U.S. Department of Labor, Bureau of Employment Security, U.S. Employment Service, Washington, D.C., June 15, 1962; U.S. figures from Board of Governors, Federal Reserve System, Federal Reserve Bulletin, Washington, D.C., May 1962, page 634; Pittsburgh reported exports from U.S. Department of Commerce, Bureau of the Census, Current Industrial Reports, Washington, D.C., May 4, 1962, pages 2; 20, for Pittsburgh employment figures; reported exports from U.S. Department of Commerce, Export Origin Studies for Pittsburgh area Congressional Districts 21, 25–30, Washington, D.C., 1962. This is only an estimate, and is not meant to be used as a precise figure. It and similar estimates for each of the 10 export reporting industrial categories are summarized in table I.

TABLE I.—*Pittsburgh employment in manufacturing as related to exports: 1960*

	Average total employment	Employment attributable to exports [1]		
		Direct	Indirect	Total
Industries reporting export sales over $1,000,000:				
Primary metals	130,000	3,380	15,340	18,720
Fabricated metal products	29,400		735	1,911
Electrical machinery	29,200	1,256	788	2,044
Stone, clay, and glass products	20,100	382	583	965
Machinery, nonelectrical	19,300	2,065	926	2,991
Food and kindred products	19,200	346	269	615
Chemicals and allied products	8,500	484	731	1,215
Transportation equipment	6,900	428	110	538
Instruments and related products	4,700	390	94	484
Petroleum and coal products	2,100	58	88	146
Total	269,400	9,524	20,105	29,629

	Average total employment	Employment attributable to exports [1]		
		Direct	Indirect	Total
Other manufacturing industries:				
Apparel and related products	2,100			
Lumber and wood products	1,500			
Furniture and fixtures	1,700			
Paper and allied products	3,300			
Printing and publishing	8,600			
Miscellaneous manufacturing	4,400			
Total	21,600			
Total manufacturing employment		291,000		

[1] The estimates for Pittsburgh employment attributable to exports were derived by applying the national percentages for export related employment for each industry to the average employment figures for Pittsburgh. No estimates were made for industries reporting export sales of less than $1,000,000 to the Department of Commerce for 1960.

Sources: U.S. Department of Labor, Bureau of Labor Statistics, "Domestic Employment Attributable to U.S. Exports, 1960," Washington, D.C., January 1962. Average total employment figures for Pittsburgh obtained from U.S. Department of Labor, Bureau of Employment Security, U.S. Employment Service, Washington, D.C., June 15, 1962.

Some interesting relationships emerge from these estimates. A total of about 9,500 jobs in these Pittsburgh industries, or 3.7 percent of total employment in these industries may be attributed directly to the production of goods in the form in which they were exported. Another 20,000 jobs, or 7.7 percent of the total, can be indirectly attributed to exports via production of the components or parts for more finished products which were then exported.

I believe that these figures are quite reasonable. A Bureau of Labor Statistics study—U.S. Department of Labor, Bureau of Labor Statistics, "Domestic Employment Attributable to Exports, 1960," Washington, D.C., January 1962, page 3—points out that five industry groups stand out as making a heavy contribution to export employment. These are: primary metals, electrical machinery, nonelectrical machinery, chemicals, and transportation equipment. All 5 are among the 10 considered here and all are vitally important to the Pittsburgh economy. For three—primary metals, machinery, and chemicals—export-related employment for the Nation as a whole amounted to more than 10 percent—U.S. Department of Labor, Bureau of Labor Statistics, "Domestic Employment Attributable to Exports," 1960, Washington, D.C., January 1962—

What is more, some of our Pittsburgh industries, such as primary and fabricated metals and glass products, provide the raw materials for more finished products so that the indirect effects on our employment are especially important. For instance, the Labor Department study notes that "for every worker making primary metals which are exported there are on the average of about four and one half workers making primary metals which are used in components of automobiles and machinery and other fabricated metal goods which are exported."—U.S. Department of Labor, Bureau of Labor Statistics, Domestic Employment Attributable to Exports, 1960, Washington, D.C., January 1962, page 4.

How about the value of exports for these important Pittsburgh industries? Nationally, the six largest export industry groups were: nonelectrical machinery, $2.9 billion; chemicals and allied products, $1.8 billion; food and kindred products, $1.6 billion; primary metals, $1.1 billion; and electrical machinery, $1 billion. Fabricated metal products; stone clay and glass products; instruments and related products; and petroleum and coal products accounted for just under $1.7 billion for the country as a whole.

Pittsburgh's share of these totals is substantial. For example, over 11 percent of the Nation's reported exports of primary metals of all kinds came from the Pittsburgh area, as did 4.5 percent of the fabricated metal products, 4 percent of the stone, clay and glass exports, 3 percent of the electrical machinery, 1.6 percent of the nonelectrical machinery, and 1.1 percent of the chemical products. Although no estimates can be made of Pittsburgh's share of food and transportation exports, they did contribute 10 percent and 17 percent respectively to total U.S. exports. Not only did Pittsburgh contribute to this total, but the fact that these industries are also important customers for Pittsburgh glass and metal products of all kinds must be remembered.

The total value of exports from Pittsburgh can only be estimated. The value reported to the Census Bureau for 1960 was $212.2 million, but this understates the total substantially because manufacturers may not know that some of their buyers intend to export. For this reason I have made some estimates of the total value of Pittsburgh exports which are based on the Department of Commerce data. The reported and estimated values for some Pittsburgh industrial categories are included in the following table:

TABLE II.—*Reported and estimated total value of exports, Pittsburgh, 1960*

[In millions of dollars]

	Reported export value [1]	Estimated total export value [2]
Primary metal products	$99.7	$112.8
Nonelectric	35.6	47.2
Electrical machinery	20.5	29.4
Chemicals and allied products	15.6	20.8
Fabricated metal industries	14.5	23.3
Stone, clay and glass products	5.1	8.0
Food and kindred products	[3]	[3]
Transportation equipment	[3]	[3]
Instruments and related products	[3]	24.7
Petroleum and coal products	[3]	[3]
Total	212.2	266.2

[1] The 1960 Census Department Survey of U.S. Exports covered plants exporting more than $25,000, and employing more than 100 persons. The survey received reports from such manufacturers covering $9,790,000,000 of the total of $15,450,000,000 of U.S. manufactured exports valued f.o.b. producing plant. The total value of exports which the survey attributed to different geographical regions and States (but not to metropolitan areas) was estimated using specifications supplied by the Office of Business Economics. The difference between reported and estimated figures would be accounted for chiefly by purchasers whose intent to export was not known to the manufacturer or by small producers who were not asked to report.

[2] These estimates were made by multiplying reported Pittsburgh exports by the ratio of total to reported exports for the Commonwealth of Pennsylvania to each of the major industrial categories. Of the various alternative methods available, these estimates are the most conservative which could be made.

[3] Reported value of export figures from the Pittsburgh area were not available for these 4 categories, nor for rubber and plastic and miscellaneous manufacturing. The latter 2 amounted to less than $1,000,000 each. Department of Commerce estimates for the other 4 are as follows:

	Million
Transportation equipment	$5–$9.9
Petroleum and coal products	5– 9.9
Food and kindred products	1. 4–9
Instruments and related products	1– 4.9

Department of Commerce, "Export Origin Studies" for Pittsburgh area congressional districts, pp. 21, 25, 26, 27–30, Washington, D.C., 1962.

These industries together account for 10.2 percent of reported Pittsburgh exports. The estimated values for them are given the same proportional weight. The estimated value for total exports using this weighting system is only slightly larger than the total reported for the congressional districts of $256,800,000 and is substantially more conservative than the $317,200,000 that would have been generated by applying the ratio for Pennsylvania totals to Pittsburgh reported exports.

Source: U.S. Department of Commerce, Bureau of the Census, Current Industrial Reports, Washington, D.C., May 4, 1962.

These estimates are probably on the conservative side, but combined with my estimates of export related employment, help to show just how important to Pittsburgh is her share of American export markets. Estimated export sales for Pittsburgh in 1960 for the 10 most important manufacturing industries were in the order of $266 million. Primary metals take the lead for Pittsburgh with exports estimated close to $113 million.

But what of the future? Can we in Pittsburgh expect new jobs and a larger volume of sales to be generated by more liberalized trade? Can we in Pittsburgh utilize our unused capacity by competing in world markets or must we settle for the lower employment and lower business levels induced by protectionism? In short, is the United States able to export the products which we in Pittsburgh produce, and can we expect the quantity and value of these exports, hence job opportunities, to increase with more liberalized trade?

I made an examination of the export history for some of the products of Pittsburgh industry. Table III shows the value and the percent of domestic shipments which were exported in 1958 for some U.S. exports. These export products are particularly important to Pittsburgh because we in Pittsburgh either make them ourselves or the firms which do make them have one or more manufacturing plants located in the Pittsburgh area. In other words, if not all of the items included are made in Pittsburgh, our plants supply the parts and industrial raw materials for the finished products which are exported by other plants of the same company. Incidentally, for every item but 4 of the 56 included in the table, imports account for 1 percent or less of total sales in the United States.

In Pittsburgh steel comes first. Pittsburgh is the steel capital of the world—and steel is Pittsburgh's largest source of industrial employment. Almost 19,000 out of Pittsburgh's total of about 130,000 jobs in steel could be attributed to exports in 1960. The primary competition for American steel in foreign markets today comes from Western European countries.

Selected manufactured exports important to the Pittsburgh, Pa., economic area—Value and percent of shipments exported, United States, 1958

	Value of exports at port, United States, 1958	Percent exports to total shipments, United States, 1958
	Million	
1. Primary metals:		
Blast furnace and steel mill products	$541.4	4
Steel sheet, strip, plate, bar, hot rolled, including carbon but excluding galvanized and electric	319.6	4
Structural shapes, piling, and alloy	42.9	7
Steel pipe and tubes [1]	156.1	9
Alloy and carbon steel	114.0	10
Carbon steel oil country pipe	30.5	10
Cold rolled sheet, strip, plate, bar	72.1	3
Other steel mill products	20.7	21
2. Fabricated metal products:		
Fabricated platework	118.9	7
Steel power boilers and parts	45.7	11
Heat exchangers and condensers	34.5	18
Fabricated steel, n.e.c.	20.3	5
Valves and pipe fittings	107.3	9
Fabricated structural iron and steel	40.9	3
3. Electrical machinery:		
Radio, TV, communications goods	195.1	10
Electronic communication equipment except broadcast	123.4	31
Radio, TV, broadcast equipment	12.8	24
Railway signals and attachments	7.4	18
Motors, generators, and parts	95.7	7
Switchboard and switch gear apparatus	52.9	13
Power switches and current breakers	19.7	13
Electrical measuring devices	30.4	5
Industrial controls and parts	18.8	4
Transformers	15.3	4
Electrical industrial goods, n.e.c.	6.3	7
Power capacitors	.8	4
Rectifying apparatus	5.5	8
4. Stone, clay, and glass products:		
Refractories	$30.1	9
Fireclay, bricks, and shapes	9.6	13
High temperature refractory cement	3.1	17
Glass containers	22.6	3
Lighting and electrical glassware [2]	16.9	13
Porcelain electrical supplies	6.9	8
Glass insulators, all types	.4	40
5. Machinery, except electric:		
Construction and mining machinery and equipment	675.9	28
Oilfield machinery and equipment	173.1	35
Metalworking machinery, n.e.c.	139.3	26
Rolling mill machinery	101.2	40
Metal cutting machine tools and parts [3]	100.6	17
Steam turbines, engines, turbogenerators, and parts	66.7	9
General industrial equipment, n.e.c.	51.6	9
Power transmission equipment	35.3	6
Conveying equipment	28.2	8
Industrial ovens, furnaces, parts	24.1	13
6. Chemical and allied products:		
Plastic materials	241.0	6
Miscellaneous chemical products	197.5	15
Industrial organic chemicals	91.1	7
Weed killers	55.7	16
Alkalies and chlorines	21.9	5
Inorganic pigments	20.3	5
7. Transportation equipment:		
Motor vehicles and equipment [4]	1,249.3	9
Trucks, bus bodies, accessories and parts	490.7	21
Motor coaches	21.6	22
Trucks, new	17.8	15
Railroad equipment	203.2	20
Locomotives	140.3	64
8. Coal and petroleum products:		
Lubricating oils	195.6	25
Lubricating greases	13.0	13
Other finished petroleum products	55.5	13
Micro crystalline wax	13.9	16
Paraffin wax	11.5	5
Petrolatum	6.1	27
9. Instruments and related products: Scientific instruments, mechanical measuring devices, and automatic temperature controls	149.2	9

[1] Imports of steel pipes and tubes amounted to 2 percent of domestic supply.

[2] Imports amounted to 2 percent of domestic supply.

[3] Imports amounted to 3 percent of domestic supply.

[4] Imports account for 4 percent of domestic supply, almost exclusively passenger cars.

Sources are: U.S. Department of Commerce, Bureau of the Census, "U.S. Commodity Exports and Imports as Related to Output: 1958," Washington, D.C., 1962. U.S. Department of Commerce, Bureau of the Census, "U.S. Commodity Exports as Related to Output: 1958," Washington, 1961. U.S. Department of Commerce, "Export Origin Studies: Congressional Districts of Pennsylvania, Nos. 21, 25, 26, 27–30, (Allegheny County)," Washington, D.C., 1962.

At the current time the United States can probably serve an increased foreign market more easily than can the Western European countries. The latter have little unused capacity of either capital or labor which can be employed to increase the supply of these goods for

their own or other markets. In contrast, the United States generally, and Pittsburgh particularly, has unemployed labor and plant which can be used to produce for export markets.

The steel industry is presently operating well below capacity and the rate of unemployment is high. New and expanding markets are the best cures for these ills. There are markets abroad for the steel Pittsburgh produces. In 1960, for example, Pittsburgh's primary metal exports, which for us mean steel, were estimated to be almost $113 million. Jones & Laughlin, with a plant in Pittsburgh, reported that 4 percent of their total shipments went abroad that year. In fact in 1958 about 4 percent of all U.S. blast furnace and steel mill products, including 9 percent of steel pipes and tubes, were exported. In 1960, Pittsburgh supplied about 11 percent of the U.S. total exports of these goods. In addition, among the fabricated metals such as platework of various kinds, some 7 percent was exported in 1958, including 18 percent of the heat exchangers and condensers. About 1,900 jobs in Pittsburgh were related to exports of fabricated metals and exports were estimated at just over $23 million for 1960.

But this does not tell the whole story. Pittsburgh not only exports steel and steel products, but supplies the rest of the country with the industrial raw materials and industrial machinery made from steel which are used to produce finished products for both domestic and foreign buyers. This means that we in Pittsburgh have a twofold interest in, for example, the machinery and transportation equipment industries: That of a producer in these industries and that of a supplier to them. About 3,500 jobs in Pittsburgh and better than 350,000 jobs in the United States are estimated as being related to exports of these steel-using goods. In 1958 the United States exported about 28 percent of its construction and mining machinery, 35 percent of its oilfield machinery, and 40 percent of its rolling mill machinery. Each of these is produced by Pittsburgh firms and the value of Pittsburgh exports in 1960 is estimated at about $47 million.

We in Pittsburgh also supply the transportation industry, which accounts for about 17 percent of total U.S. exports, with a wide variety of both automotive and railroad equipment. Pittsburgh not only exports directly—over $5 million worth in 1960—but also sells to domestic producers who in turn depend upon foreign markets for a substantial portion of their total sales. For example, 20 percent of the railroad equipment sold in 1958 went overseas, along with 64 percent of the diesel locomotives.

Pittsburgh also produces electrical machinery, and in fact, is the Nation's second most important center for the production of heavy electrical machinery. By 1960 the electrical machinery industry was Pittsburgh's third largest manufacturing employer, following only the primary and fabricated metals industries. Over 2,000 jobs in our area can probably be attributed to this industry's exports that year. In fact the Westinghouse Electric Co. reported that 6 percent of its consolidated sales were outside the United States. Among products manufactured by Pittsburgh companies, U.S. export figures show that 13 percent of switchgear apparatus, 31 percent of electronic communications equipment and 18 percent of railway signals and attachments were exported in 1958. In 1960 Pittsburgh exports for these and other goods of the industry amounted to an estimated $29 million in sales.

Pittsburgh may specialize in metals and machinery products, but her industry is more diversified. For instance, we produce a variety of chemical products, many of which are important export commodities. Estimated Pittsburgh exports of these goods amounted to about $20 million for 1960. For example, the American Cyanamid Co. with a plant in our area reported that 16 percent of their total sales went to customers outside the United States and Canada that year. We also produce coal and petroleum products, such as lubricating oils and greases, 25 and 13 percent of which for the United States as a whole, were exported in 1958. Together these two industries employed about 10,600 persons of whom something like 1,300, or about 12 percent could attribute their jobs either directly or indirectly to production for export. We in Pittsburgh also exported at least $1 million worth of food products, and at least another $1 million in instruments of various kinds, particularly automatic temperature control devices. Of these latter, 9 percent of all U.S. manufacturers' shipments were exported in 1958. At least 1,000 Pittsburgh jobs are probably related to the exports of these two industries.

Last, but certainly not least, Pittsburgh's fourth largest source of industrial employment, the stone, clay, and glass products industry with over 20,000 employees in 1960 must be considered. Here we recognize that there are some commodities which are facing serious competition from imports. At this point a few reminders are in order. First, providing the President with the authority to negotiate for mutually advantageous tariff concessions does not mean irresponsible or unilateral tariff cutting on the part of the United States. American negotiators must be prepared to drive hard bargains. Secondly, the Trade Expansion Act of 1962 contains safeguards to protect American workers and American industry when import competition threatens serious injury. Thirdly, on the Tariff Commission's recommendation, the President last March ordered import duties raised on cylinder, crown, and sheet glass. Finally, some products of the stone, clay, and glass industry can and do find important markets abroad and do not face import competition. Pittsburgh accounted for 4 percent of the Nation's exports of these commodities in 1960. Among them, 9 percent of the Nation's shipments of refractories were exported in 1958, as were 17 percent of shipments of refractory cement and 8 percent of porcelain electronic supplies. Imports for each of these were less than 1 percent of domestic American supply. Despite the fact that 2 percent of total purchases of lighting and electronic glassware were imported, nevertheless the United States did export 13 percent of total shipments of this item.

The foregoing demonstrates that U.S. export markets are of vital importance to the Pittsburgh area. They are important today because of the employment and the volume of sales they already generate. They are important for the future because of the opportunity for expanded sales which they offer.

The task of expanding export sales will be made easier if Congress provides the tools for the United States to negotiate mutually advantages tariff concessions in a world of generally expanding and more liberalized trade.

Moreover, in addition to the jobs and profits which growing export markets should generate, there are a number of other indirect effects from trade expansion which are of importance to every American workingman and consumer. First, every workingman gains by having available to him a wider selection of consumer goods at lower prices than would be the case without access to foreign markets and products. Second, studies have shown that export industries pay substantially higher wages than do those which are import competing—Irving B. Kravis, "Wages and Foreign Trade," Review of Economics and Statistics, February 1956, pages 14 to 30. Beatrice N. Vaccara, "Employment and Output in Protected Manufacturing Industries," the Brookings Institution, Washington, D.C., 1960, pages 62 to 66. This means that expanding total trade should create more jobs in the higher wage industries. Finally, the American economy is complex and dynamic, and depends upon an intricate network of transportation, marketing and financial activities. Both imports and exports create more job opportunities for all those employed in such activities in the sense that these jobs depend upon the total volume of business transactions which take place. Increased trade means increased transportation. That will result in more jobs for the truckers and railroad workers who carry the freight and those who load it. Increased trade means more jobs in the offices, banks, insurance companies, accounting firms and law offices which record, finance, insure and carry out the mountain of work and the myriad tasks which service American business enterprise. Hence, in the Pittsburgh area, in addition to the 300,000 or so persons engaged in manufacturing, every one of the approximately 570,000 other jobholders, whether they are among the better than 154,000 in the retail and wholesale trades, the 115,000 in the other service industries, the 40,000 in transportation or the 32,000-plus in finance or insurance has a vital stake in the enactment of this bill and in the expansion of U.S. exports, which I feel confident will follow from the future negotiations for trade liberalization which enactment of this bill will make possible.

I am convinced that world trade will grow at a faster rate than purely domestic trade. I believe that the people of Pittsburgh, plagued by high unem-

ployment, want to participate in this economic growth. The Congress can prevent the United States from participating in this growth by defeating H.R. 11970.

On the other hand, by enacting the trade expansion bill, Congress can give business the opportunity to participate in growing world markets and provide added job opportunities for our people.

Mr. Chairman, the people of Pittsburgh and people of the United States will benefit economically if we enact H.R. 11970. In the struggle against the international Communist conspiracy, the free world will be unified and strengthened if we enact H.R. 11970. I urge its adoption.

(Mr. HECHLER asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. HECHLER. Mr. Chairman, every Congressman must decide for himself how the pending trade bill affects his district. In the case of any trade bill, local interests are vocal interests. I want to describe for you the agonizing personal situation which I confront on this bill, in the hope that it might generate even more soul searching by my colleagues before we cast our votes on one of the most far-reaching measures to come to the floor since I have been in Congress.

Traditionally, the State of West Virginia is in favor of higher protective tariffs, and West Virginia has been voting that way increasingly since 1934. Beset by economic woes largely traceable to absentee owners who have plundered our resources, the Mountain State has cried out in agony against cheap labor foreign competition which has seriously threatened many West Virginia industries. Can you blame us for turning to tariffs in order to hold on to what we have, and build on what we have for the future?

The Department of Commerce will make a study for you in your congressional district and your State showing what you export and what it is worth. That is small comfort to West Virginia, where we have the most precious export of all: people. Gary, Akron, Detroit, Columbus, Cape Canaveral—there you find the flower of West Virginia's youth. Over 40 percent of West Virginia's Korean war bonus was paid to young men with addresses outside of the State of West Virginia. What comfort can we in West Virginia derive from a bill which threatens to drain off more of our young people, as our Mountain State industries are increasingly threatened?

Yes, every Congressman must decide for himself what the economic impact of this bill will be on his district. I venture to state that there are few districts in the Nation where the industries and people are solidly against this bill as in the Fourth Congressional District of West Virginia.

The United Mine Workers stand firm as a rock against this bill. Listen to the president of the Mine Workers in a letter dated June 25, 1962, when he says:

> The coal industry, the only West Virginia industry that so far has been able to successfully compete in the world market, has been barred from competition by oppressive embargoes and licensing programs of the Western European countries which constitute the free trade group and at the same time has been forced into ruinous competition with a flood of imported oil. I strongly urge that when the Trade Expansion Act of 1962 comes before the House for action you vote in the interest of the people who selected you as their Representative in Congress by opposing the enactment of this bill.

Coal is the economic lifeblood of West Virginia. Coal is the political lifeblood of Congressman HECHLER, I might add. We tried to persuade the Committee on Rules to allow an amendment which might have helped protect our national security by guaranteeing a more continuous supply of that great energy resource, coal, but we lost out.

The greatest coal-producing county in the Nation, Logan County, has just been added to my congressional district, and yesterday and today the telegrams have been streaming in from mine workers pleading with me to oppose this trade bill—or at least to asphyxiate it quietly with that sweet-smelling motion which has been innocuously termed "1-year extension of the Reciprocal Trade Act."

Come to my office sometime and cast your eyes on some of the most beautiful hand-made, hand-blown glass in the world, made by the Blenko Glass Co., of Milton, W. Va., a few miles from my home. Here is a telegram I received last night from the Blenko Glass Co. imploring me to oppose the bill. The workers at Blenko and other plants in Culloden and Williamstown have written me piteous appeals to oppose the trade bill. The glass workers all over the State of West Virginia, those who made that fine glass which the First Lady showed you on her television tour of the White House—they are against this bill. The supporters of the bill say: Look at the relief we got for the flat-glass industry, but that does not help my art glass people any.

Start down the Ohio River from Pittsburgh and you will go through a potentially rich area in my district, but you will also find an area which is solidly against this legislation. Here is a telegram from the Wiser Oil Co. in Sisterville, against the bill. Going on down to Parkersburg, the American Viscose Corp. has a big rayon staple plant, and another at Nitro, W. Va., and together these 2 plants have 2,500 employees which can produce 40 percent of the domestic rayon staple supply. Fred Weeks, the Parkersburg plant manager, has corresponded with me and made several special trips to Washington to show me just how seriously this bill will affect those manmade fibers which the President's textile program has not succeeded in helping. I will ask consent to include a letter from Fred Weeks and a telegram from Mr. Weeks received late yesterday.

Then I have a large plant of the American Cyanamid Co. in my district. The officials and workers at American Cyanamid are good friends of mine. I have visited the plant and had lunch with them on several occasions. This plant plays an important role in the organic chemical industry. They have presented their case courteously and intelligently, but there is no question that they would be hurt by this legislation.

The Monsanto Chemical Co. has a large plant in Nitro, W. Va., the hometown of Lew Burdette. Its officials have visited me. The manager and workers do not like the bill. In fact, they strongly and categorically oppose it.

In my hometown of Huntington, the Standard Ultramarine & Color Co., which has successfully manufactured organic and inorganic pigments for more than 50 consecutive years, strongly opposes the bill. There the jobs of 600 employees are threatened in the heart of an economically depressed area.

The lumber people in my Ohio River district are up in arms against this bill. The apple and fruitgrowers are up in arms. The candy and confectionery industry is up in arms. We have a little plant in Spencer, W. Va., which manufactures rubber heels and soles for the shoe industry, and they are up in arms. Here is a man in Parkersburg who sells electric porcelain, and he makes a one-man protest against Japanese competition. We used to have a marble plant in Parkersburg but it was driven out of business by foreign competition.

There are a few brave members of the League of Women Voters who support this bill, but this is a terribly undisciplined group which believes in free speech because here is a letter from a defector who writes from Huntington, W. Va.:

> Although a member of the League of Women Voters, I disagree completely with their position on the Trade Expansion Act.

If there be many individuals who favor the Trade Act, I certainly have to root them out of their hiding places in ivory towers—the thinkers whose position in life is sufficiently firm to resist the swirling currents of the majority.

The election is a little more than 4 months away. There are no second prizes in the grim battle waged every 2 years in a swing district, and my district over the past 10 elections has gone Republican 5 times and Democratic 5 times. It is a district where a vote against the majority will of the people is automatically a big issue in the campaign. I am on Mr. MILLER's little list and Mr. WILSON's little list, and I am sure, as these respective chairmen of the Republican National Committee and the Republican congressional campaign committee go forth to wage battle, I will certainly be even more so now.

A Congressman must not only decide how his vote will fare in the election campaign, but perhaps more important he should consider how well he is representing his own district. By listening to and trying to understand the points of view in his district, a Congressman performs a useful function, but this must also be accompanied by education and leadership on the key issues.

At his press conference yesterday, the President of the United States indicated that passage of this bill is vital to the future of our country. The President is seriously concerned with improving our gold position, with obtaining the flexibility for America to make new trade bargains with the European Common Market, with stepping up our economic growth through our export mar-

ket, with strengthening the free world in its search for additional markets, and with forging the tools to combat the Communist trade offensive.

The issue here today is bigger than the congressional district of any individual Member of this House. The issue is whether America will be empowered to use the key which may well unlock a great economic forward surge, not only for the United States, but for the entire free world.

Now this comes back to the question of what this trade bill means to my district. I believe that the State of West Virginia, as we move into our centennial year in 1963, wants to be remembered not only as the State which produced the first pilot, Chuck Yeager, who broke the sound barrier, but also as the State which helped to break a great trade barrier. This is not an easy decision to make as I reflect on the hundreds of conversations and communications I have had around the Fourth Congressional District. My people do not want adjustment; they want to keep their jobs and expand them.

It would be very easy to go back to the office without making this speech, send some letters and press releases out on how I tried to save our people from the tentacles of foreign competition, and win overwhelmingly in November. But serving in Congress would get pretty dull after awhile if you operated "by the numbers" and stepped aside whenever a challenge presented itself.

Finally, I believe I am best representing my district when I recognize that many of my people want to play a part in this gigantic effort on behalf of peace and freedom through economic development.

I urge a vote against the Mason motion to recommit with a 1-year extension of existing law, and I urge a vote in favor of the pending bill.

Mr. MILLS. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. WRIGHT].

Mr. WRIGHT. Mr. Chairman, the choice which confronts us today is perhaps the most important choice which will confront us this year. It is not an ideal choice. There are a number of provisions in this bill which are not satisfactory to me. There are omissions of things which could have made the bill more palatable. Perhaps you can understand something of the frustration that grips many Members of this House as a result of the closed rule which was adopted yesterday, depriving us of the opportunity to offer individual amendments. I did not favor that closed rule.

I should have liked the opportunity to vote on an amendment to relate the reductions in tariffs somehow in a direct and commensurate way to foreign wage scales in various industries for the protection of American industry and American labor.

I should have liked the opportunity to write into the bill some clear legislative assurance that the readjustment assistance provision would not conflict with or in any way disrupt our unemployment compensation programs in the various States. I have received personal assurances from the chairman of the Committee on Ways and Means to the effect that this problem can and definitely will be worked out to the satisfaction of our States. I accept those assurances, but I would have appreciated still more the opportunity to write a clear guarantee of that into this bill today.

I would have liked the opportunity to vote on an amendment to help the independent producers of the domestic oil industry, beset by increasing import competition. The only solution to their problem lies in restricting imports to a definite ratio of domestic production. Having talked at length with various people in the executive branch, I believe this is going to be done. Yet it has not been done. I wanted a chance to see that it was done by amendatory language in this bill today. Those opportunities were not afforded me.

THE OVERRIDING CONSIDERATION

Yet when I lay alongside of these objections of mine the broad overall, overriding consideration of the future welfare of this Nation, I can come to no other conclusion than that I must support this bill.

While it is not an ideal choice that confronts us, it is a clear choice. It is the only choice we have today. It is the choice between moving ahead and standing still. It is the choice between grasping the initiative in world economics or becoming the victims of world economics. It is the choice between arming our Nation with the necessary tools to enter the new phase of economic competition or leaving our Nation disarmed.

This bill is not a wholly satisfactory bill to me. Perhaps it is not to any of us. It would be impossible to draft one which would be satisfactory to all of us. I hope that it can be improved by the legislative processes in the other body and in the conference committee. Yet, to all of those of you who, like myself, have certain individual objections to this bill, I ask you only to lay it on balance. Consider the welfare of our Nation and of our whole people.

THE BALANCE SHEET

On balance, we have always exported more than we have imported. Year in and year out, the dollar volume of our sales abroad has greatly exceeded the volume of our imports. More American jobs depend upon exports than could be adversely affected by imports. Trade is a two-way street. If we are to sell abroad, we must be willing to buy some things from abroad. We have far more to lose by decreasing our participation in world markets than we could gain. We have far more to gain by expanding our position in world trade than we could possibly lose.

As pointed out by an editorial in the Fort Worth Press on last January 28:

> We sell to Western Europe more machinery, transportation equipment, chemicals, and coal than our total imports of these commodities from all regions of the world combined.
>
> Thirty percent of our exports, amounting to more than $4 billion a year in industrial goods and nearly $2 billion in farm products, go to present and prospective members of the European Common Market. Our agricultural trade with Western Europe is 4 to 1 in our favor.

This is true for the United States as a whole. It is true for my State. Exports of manufactured goods produced in my own State of Texas came to $836 million in 1960, according to Department of Commerce figures. The companies producing these goods employed 147,470 people. Agricultural exports grown in my State for the same year were estimated at $446 million. Add them together, and the dollar volume of my State's exports of agricultural and manufactured products came to $1,282 million. This exceeded by almost $650 million the estimated value of imports sold in my State during that same year.

Now consider what can happen to these markets if Europe quit buying American products in great volume. The Common Market confronts us with the most dramatic challenge and the most dramatic opportunity which has faced us economically in years. They are drastically cutting long existing tariffs between their member countries. Where our goods have been competing satisfactorily, they no longer will if duties are drastically reduced on similar products from a neighboring European country but left intact on American goods.

Europe traditionally has been our Nation's biggest and best customer. European Common Market countries and Latin American countries between them have accounted for considerably more than half of the total purchases of American-made products. The European economy is growing. Europeans more and more are able to afford the things our factories produce.

If we can place ourselves in position to negotiate favorably with them, we can gain new customers and new markets and thus stimulate the American economy to greater growth.

We can create more jobs for American men and women to produce a fair share of the automobiles, the small aircraft, the machinery, and the consumer goods of all types which Europeans are buying in greater and greater volume.

But if we merely stagnate while they move ahead, we can find ourselves on the outside looking in. If we simply refuse to place ourselves in a competitive position, if we just sit and let these staggering developments pass us by, we shall see our balance-of-payments position faltering, our gold reserves declining, our leadership waning, and our economy shriveling as it seeks to feed only upon itself. This is the challenge.

TIME IS IMPORTANT

Such a challenge is new to our experience. Perhaps we are not ready for it, but it is upon us. This is why we cannot wait. It has been suggested that we just wait it out for another year and see what happens.

The gentleman from Illinois will offer a motion to recommit this bill and simply extend the present law for a year. But the negotiating powers contained under that law have already been used up. Therefore, there is no remedy in simply waiting.

We have little time left, little time to cope with the dramatic changes that are being made in the European Common Market. We cannot wait another year. There was a time when we could conduct our diplomacy much like a game of chess, with each move and countermove painstakingly thought out in advance. That time has passed. Today the tempo of foreign affairs is more like a game of table tennis.

CONGRESSIONAL AUTHORITY RETAINED

Finally, there is the argument that this will make a dictator of the President; that we are surrendering congressional controls and prerogatives. Some of the more violent lobbying opposition has even been spreading propaganda among some segments of the public that this bill would violate the Constitution. This, of course, is not true. Members of the committee, we are surrending no congressional control. We are delegating under the Constitution those duties which we are charged by the Constitution with delegating. We are delegating them within certain clearly prescribed, congressionally imposed limitations upon Presidential authority.

This bill, as most of the membership knows, retains the escape clause and peril point provisions. It retains intact the national security provision of existing law. It even strengthens congressional review in the case of any matters wherein the President would determine that national needs were so crucial as to override the Tariff Commission. Previously it has taken a two-thirds vote for Congress to override the President on such matters. Under the bill before us today, this can be done by a simple majority vote of Congress.

Obviously, someone must be charged by the Congress with the responsibility of conducting the actual negotiations. Obviously, we as a Congress could not sit down individually with each of the legislative bodies in the other friendly nations of the world and in joint session work out point by point and item by item tariff reductions. This is the kind of thing that has to be done through negotiation. It is, as the name implies, reciprocal. It is a kind of quid pro quo. Therefore, someone has to be designated as our agent to work for us, to act in our behalf, within the limitations that we place on his authority to act in our behalf. Under the Constitution of the United States that can be no other person than the President.

It is not a question of whether the President is to be empowered. It is a question of whether our Nation is to be empowered. Trade is not only a two-way street. It can be a two-edged sword. Trade can be a powerful weapon. Anybody inclined to minimize the importance of trade to our total foreign policy should read an article written by Joseph Stalin shortly prior to his death, and printed in a Soviet magazine in December of 1952.

Stalin viewed the world crisis in terms of an inevitable trade conflict between the nations of the world. He assured his readers that free world unity would disintegrate over questions of trade, making certain the ultimate triumph of communism. In the intervening years, we have been proving his prophecy wrong. We can continue to prove it wrong.

As was pointed out so well in an editorial which appeared in the Fort Worth Star Telegram on last January 15:

> The strength of communism's challenge to the Western World lies in part in the trade unity which it has accomplished and the Western nations may be compelled by circumstances to seek on their own account a greater measure of interdependence * * * the potential changes in trade patterns forecast by establishment of the European Common Market and possible British association with it may require a rethinking of America's traditional aloofness. The lowering future may compel a greater Western unity in the interest of our common survival.

Mr. Chairman, though I am far from entirely satisfied with the bill as drafted, and as much as I would have liked to have had further amendments presented and written into the act itself, I do believe that this bill is in the interest of our common survival.

To those of you on my left, members of the other party, I say to you that we have but one President at a time. When Mr. Eisenhower was in the White House, I supported the moves to give him the weapons and the latitude he needed to conduct America's necessary foreign policy. We cannot do less for our present President.

Two years ago, I stood right here and pleaded for a bill in which our then President was deeply interested. I said then that he was my President because he was my country's President. I said that if he was embarrassed or hindered by a Democratic Congress in his efforts to deal effectively in America's interests with other countries, that I would be embarrassed. As I recall, I used the analogy of flying over the ocean in an aircraft. I said that, even if the pilot were not my personal choice, I certainly would not consider pouring water in the gasoline tank simply to embarrass the pilot.

I believed that then when Dwight D. Eisenhower was our President. I believe it today when John F. Kennedy is our President.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. MILLS. Mr. Chairman, I yield 5 minutes to the gentleman from Oregon [Mr. ULLMAN].

Mr. ULLMAN. Mr. Chairman, one of the major objectives of the committee during its consideration of H.R. 11970 was to assure that the Trade Expansion Act of 1962 would contain adequate safeguards to protect the interests of U.S. agriculture, industry, and labor which conceivably could be injured by the exercise of the tariff-cutting authority granted in the bill. I will summarize the significant areas in which the committee took action to make more certain the attainment of this objective.

First. The committee provides in the bill for basic trade agreement authority to increase duties as well as to impose quotas.

Second. Agricultural commodities are excluded from the Common Market 80-percent authority. The authority to reduce by more than 50 percent any agricultural tariff rate is subject to a finding that such action will tend to assure maintenance or expansion of U.S. exports of the like article.

Third. The committee bill provides that all reductions—except those on noncompetitive tropical articles—will be staged in five equal annual installments. There will be a phasing out of any reductions or eliminations therein so as to give every domestic industry concerned an opportunity to adjust to new competitive conditions.

Fourth. Foreign trade restrictions which have plagued the U.S. agricultural exporters were dealt with, first, by providing hearing mechanism so industry can bring its case to the attention of the President; and second, by requiring the President to suspend, withdraw or prevent application of trade agreement benefits to nations discriminating against us where he finds such action consistent with the purposes of the act.

Fifth. The committee adopted provisions which would require the Tariff Commission to hold peril-point type hearings with respect to all articles listed for consideration in any proposed trade agreement. While the Commission would not be required to set peril points—which are unrealistic in certain cases—the Commission would give the President advice as to the economic impact of any proposed action. Public hearings would have to be held and interested parties given an opportunity to convince the Tariff Commission that any action with respect to a particular product would be injurious.

Sixth. The committee adopted a provision requiring the President to consult with his Cabinet before any trade agreement was entered into. The feeling here is that the impact of a particular agreement on a certain segment of the economy, whether it be in agriculture or in industry, should be carefully scrutinized by the department of Government concerned and specific advice thereon be given to the President.

Seventh. The committee adopted provisions requiring the President to set up a hearing process whereby American industry, agriculture, and labor could call to the attention of the U.S. negotiators those concessions which the United States should seek from foreign countries in any trade agreement.

Eighth. The committee adopted a provision requiring the reservation of articles from negotiation looking toward further reductions or eliminations in the duty on these articles. All articles on which the Tariff Commission found serious injury, but on which the President did not take escape action, would be reserved.

The committee was convinced that these articles, which have been subject to Tariff Commission findings of serious injury, should not be reduced further during the first 4 years of the operation of this bill unless within that time the Tariff Commission advises the President that economic conditions in the industries concerned have substantially improved since the Tariff Commission finding of injury.

Ninth. The committee provided for accreditation to the U.S. trade agreement negotiations for four Members of the Congress who would have the right to attend the negotiating sessions and observe the conduct of these negotiations. The committee believes that such a procedure will result in the Houses of Congress being better informed as to the effectiveness of the U.S. representatives to trade agreement negotiations.

Tenth. The committee provided for the appointment of a special representative for trade negotiations who would be the chief representative of the United States at any trade agreement negotiations conducted under the new law. The effort here is to repose in a single individual the responsibility of conducting U.S. negotiations and to provide that this chief negotiator would seek advice and information not only from Government agencies but from representatives of industry, agriculture, and labor.

Eleventh. The committee broadened the present Communist product provisions of the Trade Agreements Act with the immediate effect of requiring denial of trade agreement benefits to all products of all Communist countries, including Yugoslavia and Poland. The effect of such action will be in many cases to require that products from these countries pay substantially higher duties than products of favored nations.

Twelfth. The committee adopted escape-clause provisions which empower the President, after findings of the Tariff Commission, to adjust duties up to 50 percent above the 1934 levels or to impose quotas in cases where he determines that the industry concerned has been injured. The Tariff Commission is required to hold hearings at which interested parties would have an opportunity to state their case concerning the injurious effect of imports. They would also be permitted to argue for tariff relief and to show how other forms of relief are not feasible.

Thirteenth. In cases where the President does not take the action found by the Commission to be necessary to prevent or remedy serious injury, the committee provided for congressional implementation of Tariff Commission findings upon the adoption by the Congress by a majority vote of both Houses of a resolution approving the action found by the Commission to be necessary.

Commission industry investigations must be completed within 120 days—with a further 30-day extension possible. Investigations of individual firms or workers would have to be completed in 60 days.

Fourteenth. The committee adopted provisions which would afford relief—supplemental to, or in lieu of, tariff relief—in the form of adjustment assistance to adversely affect workers and firms. Firms would be eligible for technical assistance, tax assistance, and/or financial assistance. Workers would be eligible for retraining allowances and retraining. These provisions would be administered by the Secretaries of Commerce and Labor.

The committee expects that by the operation of these assistance provisions it will be possible for many companies and many workers to make an adjustment which will ultimately minimize the impact of imports on the firms or workers concerned.

Fifteenth. The criteria for industry; firm or worker eligibility for tariff relief or adjustment assistance was changed by committee from the difficult language in original bill requiring prolonged and sustained unemployment, and so forth, to a simple test of serious injury.

Sixteenth. An Adjustment Assistance Advisory Board is established to coordinate the program.

Seventeenth. The definition of directly competitive articles was expanded so as not only to include an article in an earlier or later stage of processing—as was the provision in the original bill—but to provide further protection for agricultural producers as follows:

For purposes of this paragraph, the unprocessed article is at an earlier stage of processing.

This completely covers the problem of cherries and lamb as well as other similar articles and gives status to producers of the basic, raw product.

Mr. BOGGS. Mr. Chairman, I yield such time as he may consume to the gentleman from Tennessee [Mr. LOSER].

(Mr. LOSER asked and was given permission to revise and extend his remarks.)

Mr. LOSER. Mr. Chairman, I rise in support of this bill.

Mr. Chairman, I should like to associate myself with the Honorable HALE BOGGS, of Louisiana, and the Honorable WILBUR MILLS, of Arkansas, in their remarks relative to the trade expansion bill now under debate in this Chamber. By reason of their long service in the House as members of the Ways and Means Committee, and their expert knowledge concerning the Cordell Hull Reciprocal Trade Act, I am constrained to join them in support of the bill.

Many of my people in Nashville have suggested that I support a motion to recommit the bill to be presented by the gentleman from Illinois, [Mr. MASON]. His motion will simply extend the expiring Reciprocal Trade Act for another year. Should his motion to recommit be agreed to, the present bill under consideration would be killed for the present. In that event the President of the United States would be compelled to rely upon the provisions of the Reciprocal Trade Act in dealing with the many problems presented by the European Common Market.

The gentleman from Illinois, [Mr. MASON], very frankly admits that he has consistently opposed the Cordell Hull Reciprocal Trade Act down through the years, and that his primary reason for offering the motion to recommit the present measure and revive the Reciprocal Trade Act grows out of the fact that the President's authority under it has been exhausted. This sort of thing would hamstring the President in his effort to resolve the complex questions presented by the Common Market.

If we are to get along in the cold war we must have peace on the economic front.

We cannot consume in this country the agricultural products produced in the United States, nor can we use all of our articles of manufacture. It is absolutely imperative that we enter into agreements with the European Common Market countries for the sale of our surplus commodities if we are to survive economically in this critical period in our Nation's history.

Congressman MASON'S motion to recommit the trade bill is equivalent to a repudiation of the trade agreement program. Even though the recommittal motion would extend the agreement authority of the 1958 act for an additional year, the fact is that the authority under the 1958 act has been substantially used up. A vote for the recommital motion would be a vote against any trade agreements. At the present time, it is of the utmost importance that the President have the authority to enter an agreement with the countries of the European Common Market in order to bargain down their tariffs against U.S. commodities.

The bill reported by the Ways and Means Committee has very significant procedural safeguards for the trade agreement program. Under the bill, the advantages of our lower tariff rates under trade agreements would be denied Poland, Yugoslavia and Cuba. This would not happen under the Mason substitute. In addition, the bill improves the procedure for escape-clause actions and peril point actions and provides additional categories of assistance to firms affected by increased imports through the trade agreements. These new forms of assistance will be particularly valuable in situations where the escape-clause procedure has not been feasible in the past.

Mr. Chairman, our colleague from Tennessee, Congressman HOWARD BAKER, has proposed an amendment to the bill which will be offered by the committee and, I am sure, will be agreed to by the House. It is a safeguard for businesses that may be adversely affected by imports. It provides that in all peril-point and escape-clause cases heard by the Tariff Commission, wherein an industry is adversely affected and the Commission recommends that the President raise duties or fix quotas on imports, and the President declines to act favorably on the recommendations of the Tariff Commission within 60 days thereafter, then, in that event, the Congress may, by a simple majority vote, direct the President to put into effect the recommendations of the Tariff Commission. This is a new and very effective provision of the Trade Expansion Act not heretofore found in the Reciprocal Trade Act.

For these reasons I feel that the bill is in the national interest.

Mr. BOGGS. Mr. Chairman, I ask unanimous consent that all Members have permission to extend their remarks in the RECORD on this bill.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. BOGGS. Mr. Chairman, I yield such time as he may consume to the gentleman from New York [Mr. RYAN].

(Mr. RYAN of New York asked and was given permission to revise and extend his remarks.)

Mr. RYAN of New York. Mr. Chairman, I rise in support of H.R. 11970, the Trade Expansion Act of 1962. This bill will replace the reciprocal Trade Agreements Act originally enacted in the first administration of Franklin Delano Roosevelt and renewed on 11 occasions thereafter, much of the time under the guidance of Cordell Hull.

Our trade program prospered under Reciprocal Trade Agreements. But the rise of the Common Market in Europe makes it necessay to revise our international commercial policies. New instruments are needed if the United States is to conduct successful negotiations with the Common Market on behalf of our industry and agriculture as well as on behalf of our commitments to the nations of the free world.

The Common Market principle has always had the active encouragement of the United States. It is, to a considerable extent, the outgrowth of the aid and assistance that the United States made available to the nations of Europe and Japan at the end of World War II. Now these countries have refurbished their economies and have taken their place as part of the free world's prospering industrial complex.

We shipped about $20 billion worth of industrial and agricultural commodities overseas last year. Other nations sent us imports valued at $15 billion. New York State ranked first in the Nation in 1960 in the value of its manufactured exports, which the Commerce Department put at more than $1.4 billion in 1960. Of this total, $309 million was exported from plants in the New York City metropolitan area, where 300 establishments employing over 200,000 people participated in the Nation's export trade. Chemicals, machinery, food products, fabricated metal products and printing were among the diverse articles that were shipped abroad from the New York City area.

The Trade Expansion Act will give the administration the authority to reduce tariffs and to negotiate on an across-the-board basis, which is the new form of international bargaining.

These measures are designed to provide the United States with the means to stay competitive in the Common Market before that group's external tariff—combined with internal tariff elimination—confronts us with a commercial wall that our industry cannot surmount.

Increased reciprocal trade is essential for the prosperity of the Nation and New York State and New York City. But we must recognize that increased imports will adversely affect some segments of our economy.

I do not believe consumers should have to pay the higher prices which result from higher tariffs—tariffs that support limited sections of the economy.

But I do believe that we must provide assistance to those who will make sacrifices under freer trade. That is the purpose of the adjustment assistance included in H.R. 11970. The assistance is designed to help labor and management reallocate their abilities and resources.

In order to meet foreign competition which has been able to lower production costs through advanced technology combined with low wages, American industry will have to increase productivity. If the volume of goods produced remains static and is produced with fewer manhours, there will be declining job opportunities, and layoffs. In this event retraining will hardly solve the problem. On the other hand, if the economy is dynamic, the hardships created by lowered tariffs should be alleviated.

We must relate the question of unemployment which may result from increased foreign competition to the existing level of unemployment.

In May of this year, Mr. Chairman, there were 3.7 million members of the civilian labor force without jobs and looking for work. An additional 2.3 million nonfarm workers were working less than full time in the survey week, for what the Bureau of Labor Statistics refers to as economic reasons. I believe we may safely translate "economic reasons" as meaning lack of work. In other words, total unemployment in May was 3.7 million, partial unemployment 2.3 million. The trend from April to May was full-time unemployment down only seasonally; part-time unemployment unchanged at a time when its normal seasonal trend should have been down.

When we examine how long these people have been unemployed, we find that among the long-term unemployed workers who had been without jobs for 6 months or more, the total remained unchanged in May at nearly 700,000 workers. This is some improvement from May of 1961. However, when we compare it with May 1960, we find that, whereas in May of 1960 the long-term unemployment was only 12 percent of total unemployment, in May of 1962 it was 18 percent of total unemployment.

What I am leading up to, Mr. Chairman, is simply this. When we consider the adjustment sections of the bill now before us, we should keep in mind that no program of loans, or technical assistance, or tax assistance to business or any program for the retraining of displaced workers so that they can find new jobs—none of these things—will prove of much assistance unless unemployment in general diminishes. There is little evidence that unemployment in general will diminish, unless the rate of economic growth in our economy is substantially spurred.

I am aware that, when the Secretary of Labor, Mr. Goldberg, testified before the Committee on Ways and Means, he stated that the number of workers who might be displaced by the proposed bill would be small, not in excess of 90,000. He felt that the number displaced would be mode than offset by those who would find employment due to the expansion of job opportunities.

I hope that the passage of the bill will speed up our economic growth. I think that the outlook for such a favorable result in additional job opportunities is far less favorable now than it was when the bill was drafted last January. More and more we need to view the adjustment features as a compensatory offset for loss of employment, and not as a means of smoothing the transition to a new job. Where are the new jobs?

In considering the adjustment provisions, we should ask some hard questions as to their adequacy. For example, it is said that they will make it possible for firms affected by foreign competition to meet such competition by modernizing their buildings, equipment, or machinery or by adding to their supply of working capital. However, it is provided in section 315(e) of the bill that such assistance is not to be provided a firm unless the Secretary of Commerce shall determine that the assistance applied for is not otherwise available to the firm from sources other than the U.S. Treasury on reasonable terms, and, further, that the Secretary of Commerce must certify that there is reasonable assurance of repayment by the borrower. But any firm that can satisfy these provisions should be able to satisfy private bankers that it is a sound risk for a private loan. I hope that this provision will be construed liberally.

Then there are the provisions of the bill for retraining of displaced workers. Section 324 of the act would allow a man to spend a year or even more of his life learning a new job. During this time he would be out of work and subsisting on a training allowance, which cannot exceed 75 percent of his average weekly wage. This allowance may be quite adequate for a young man, the type of individual whom we usually consider for training. It compares favorably with the provisions in many apprenticeship programs. In fact, in comparison to some of these it is generous. I wonder how generous, however, it will seem to say, a 45-year-old pottery worker whom we might be retraining, to be able to fill some of the jobs which the Secretary of Labor has told us are in demand, for example, transistorized circuitry, inertial guidance, ferret reconnaissance, human factors science, gyrodynamics, or data telemetry.

I might also point out that the amount of training facilities in even much less specialized fields than these are very limited. I am certain that under the Manpower Development and Training Act every effort will be made to add to these facilities. However, they are unlikely to be located near the homes of the displaced workers. A great many of these displaced workers are mature men with families. It may be necessary for them to live for a period of a year or more away from their families while undergoing such retraining. What subsistence allowance does the bill before us provide for such workers? Five dollars a day. Five dollars a day, Mr. Chairman, and no specific allowance for visits to their homes during this period.

I fear we are still under the illusion that the unemployed are for one reason

or another unemployed through some fault of their own and that they must bear their share of the responsibility by living while unemployed at a much reduced standard of living. We are dealing with those who will be unemployed because we have reduced the tariff barriers which have protected them in the past. They will suffer for the benefit of the country as a whole. We are asking them to make a substantial sacrifice, change their way of life, their jobs, their associates, to lose their homes, in many instances to live apart from their families. At the same time we ask them to take a 25-percent pay cut and accept a $5 a day subsistence allowance. Finally, when this retraining is over, will they find jobs? These workers will be for the most part mature men and without experience in the new field for which they are to be trained. What opportunity will they have to obtain work in an economy which is growing too slowly at the present time to absorb the new young workers who are entering the labor market at an increasing rate each year?

I am for this bill, Mr. Chairman. I am for training our workers. I believe we should do far more in the field of training and education than we have done.

I think that the problem is plain. It is a fundamental lack of growth in our economy. For years we have lagged behind other countries, both in Europe and elsewhere. That is why we have a balance-of-payments problem. That is why we have structural unemployment. That is why we seem in danger today of plunging into another recession. We never recovered apparently from the last two. You can have as much training, as many adjustment loans as you like. Unless the firms have orders and the workers have jobs, none of this will help. And unless our economy is dynamic, no one abroad will wish to negotiate any reduction of tariffs with us. To what end? One of the first things that happens in any recession is that foreign imports are reduced. But the matter goes beyond this. Without growth, without new jobs, this bill will not achieve its objectives. With its cushions, with its adjustment provisions, it will still not answer the need of the American worker. We must be actively concerned with the problems of persistent unemployment and inadequate economic growth.

Mr. Chairman, although the Trade Expansion Act is going to create problems, I believe that it will result in expanded world markets for American products and that it offers an opportunity for economic growth as we meet the challenge of the European Common Market. I urge its adoption..

(Mr. CLANCY (at the request of Mr. BYRNES of Wisconsin) was given permission to extend his remarks at this point in the RECORD.)

Mr. CLANCY. Mr. Chairman, I rise in opposition to the proposed legislation and intend to vote against H.R. 11970. I cannot vote for legislation that presupposes economic injury to domestic business and industry and the loss of jobs of our citizens.

The action of the Canadian Government to enhance their own economy will certainly affect our trade with that country. We do not know whether or not other countries will enter the Common Market at a future date. Furthermore, with the American Government importing foreign steel and our domestic steel industry working only at half of its capacity and paying benefits to unemployed workers, we are in no position to enact legislation which will tie our hands for 5 years and allow other countries to dictate the future of our export trade.

The bill before us today will authorize the President to negotiate reductions of U.S. import duties by as much as 50 percent below levels in effect as of July 1, 1962. It would permit the President to exceed the 50-percent limit—or abolish tariffs completely—on items in which the United States and the Common Market account for at least 80 percent of free-world exports. It will allow the President to exceed the 50-percent limit for agricultural items in negotiations with the Common Market, whenever he determines that such an agreement will tend to assure the maintenance of expansion of U.S. exports of like articles. The President is authorized to reduce by more than 50 percent duties on tropical agricultural or forestry commodities whenever he determines that like commodities are not produced in significant quantities in the United States. The President may eliminate duties altogether when the rate is 5 percent or less. The bill would allow the President to negotiate on tariffs for categories, instead of item-by-item bargaining; and require tariff reductions to take effect gradually in at least five annual installments except for tropical agricultural products. The bill would require the Tariff Commission to advise the President concerning the probable economic effects of proposed tariff which would replace the "peril points" procedure in the existing law.

With respect to the adjustment assistance provision, it seems to me that this provision presupposes injury to portions of American industries and the loss of jobs by our citizens. As a most distinguished Member of the other body stated, the adjustment-assistance provision is similar to throwing an anchor to a drowning person.

Foreign trade has a direct impact on the economic life of every community. In 1960, the exports of manufactured goods from Hamilton County, Ohio, part of which is located in my district, amounted to $78.7 million. Transportation equipment accounted for exports of goods valued at $31 million in 1960. The nonelectrical machinery industry in Hamilton County represented $25 million in exported goods during 1960. These two industries provided 70 percent of the total exports from Hamilton County and employed over 31,000 workers in these plants.

Tariffs in other countries are being raised against us. Our imports in America are increasing faster than our exports. The surplus in trade which the experts in the Commerce and State Departments say we enjoy, includes outright gifts of wheat and agricultural products and foreign aid, for which we receive no hard cash. When the recent GATT agreements go into effect, we will be the lowest tariff nation in the world.

We are today proposing further concessions to nations who have placed quantitative restrictions against the flow of goods being shipped to their countries.

The absence of reciprocity together with the delegation of tremendous power to the executive branch are among the main reasons for my opposition to this legislation.

Mr. BYRNES of Wisconsin. Mr. Chairman, I yield myself such time as I may consume.

(Mr. BYRNES of Wisconsin asked and was given permission to revise and extend his remarks.)

Mr. BYRNES of Wisconsin. Mr. Chairman, first let me say that I address you and the members of the Committee, and speak the opinion of one Member of Congress from Wisconsin and a member of the Committee on Ways and Means. I say to you, however, that as a Member from Wisconsin and a member of the Committee on Ways and Means that has labored with this bill for some considerable time, I will be glad when this day is over.

Mr. Chairman, there is no legislation that has come before the House of Representatives in the last several years that has given me more sleepless nights or more concern over seeking to arrive at what I could be confident was the right answer, than this particular piece of legislation. Quite frankly, I am envious of the President of the United States and those who have such confidence that this bill will work miracles. We cannot legislate or give anyone the power to work miracles, but if one is to believe the extravagant claims concerning what this legislation will do then certainly one would have no difficulty in supporting it. One would have no difficulty making up his mind what to do. From the beginning of the consideration of this, the benefits of the bill have been so extravagantly advertised as to make the Madison Avenue hucksters of a new toothpaste or a new detergent look like amateurs.

According to the advertised claims this bill will result in increased consumer welfare, increased employment, acceleration of the growth of the domestic economy, the maintenance of our economic leadership in the world, an end to the Communist economic penetration, assistance to the developing and emerging nations, the arrest of our balance-of-payments deficits, and an end to the drain on our gold reserves. And this is all going to be accomplished by enacting 26 pages of authority for the President to enter into agreements with the Common Market and other free world nations, to drastically lower or remove our tariffs in exchange for reductions in their tariffs or duties; and then about 56 pages of assistance to American firms and workers seriously injured by the increased imports into this country as a result of the concessions.

In a word, the attainment of the very admirable goals that I have just listed is to be achieved by the tariff reduction provisions of this bill. Of course, in and of itself it will do none of them. The bill could, on the other hand, produce opposite results. But I am also envious, very frankly, of my colleagues, like the gentleman from Illinois [Mr. MASON], and others who are apparently against any authority or any mechanism whereby the country can negotiate with other countries on the elimination of unnecessary trade restrictions. I envy those who believe that we can simply let nature take its course. If I thought that, arriving at a position to take on this particular legislation before us this afternoon would be very easy.

My sympathy, however, is with those who have not been able to so simplify the issue, because I find it extremely complex, yes, and frightening no matter what we do. I see as has been pointed out here many times, the growth of the Common Market as a potential for strengthening the free world, but I also see it as posing problems as far as our economic health is concerned and the economic health of some of the other nations of the free world.

On the one hand a strong and prosperous Western Europe can be a great force in the battle that must be waged today in the world against the forces of communism. But let me caution you that unless there is a mutuality of concern, shared by the Common Market and the countries that compose it, for the economic welfare of the free world as a whole, then we are in serious difficulties. We are in serious difficulties as far as the United States are concerned.

Many of the speeches yesterday about the Common Market held out the glowing promise that may attend the development of this area within which there is free trade, but some of the aspects, I am afraid, seem to be somewhat softpedaled; and one of the aspects—and this is the essence of the Common Market—is that it is developing a free trade zone encompassing the members, but as a unit, as a market, it is a protectionist area. The net result of its formation is to make more difficult the access which our goods will have to that area.

Their external duties today, for instance, are the result of averaging the duties of the various countries that make up the market. And what has happened? Generally speaking, the average level of duties in the particular areas that our trade goes are now higher than before.

Let me cite one example, West Germany, a potential consumer of American automobiles in the past. Their duty has been 16 percent, but under the Common Market, the Common Market duty on automobiles is 29 percent. That is the average of the Common Market.

In the last Geneva agreement we made a reduction in our duty on automobiles and the Common Market made a reduction in duty, but the big differential is still there. We did not even get West Germany down to the point that she was before we made our concession.

Those are things that worry me and frighten me about this situation.

I think if we consider this bill we must ask, How willing is the Common Market going to be to permit access of our goods to their markets on reasonable terms? Are they going to let our industrial goods enter their markets on terms equivalent to what we let their goods into our markets? So far, we have not seen evidence that they are willing to do this. One need just examine the last Geneva agreement to find that out. Furthermore, we start at a low base, as far as our bargaining power is concerned, while their duties are considerably higher.

That concerns me. There has been no showing of any willingness on the part of the Common Market to start our negotiations at the same level.

Other questions: Will the Common Market permit our agricultural commodities to enter their countries on a fair basis? Are they going to continue their system of variable fees, which as far as I am concerned is a matter of rank discrimination against American agricultural commodities. They have not shown a very great desire on their part to let our goods go in on a fair basis and to eliminate their variable fees. In fact, there was a proposal before the committee, Mr. Chairman, that we not enter into any agreements with any countries until they have lived up to the agreements they have made with us under prior general agreements on tariff and trade. What were we told? That we would not dare put that into the bill because, if we did, we could not enter into any agreements because most of the countries had not carried out the agreements we had entered into and were discriminating. Therefore, we could not adopt that amendment. That is why I say some of these things concern me greatly just as I am concerned with the need for a strong free world and a unity and a mutuality of purpose. And I have a great concern as to whether we are going to have a mutuality of purpose. It is argued that is the reason for this bill, that we must give the President unprecedented authority to lower our duties in order to get concessions and to get access to the Common Market that has been created. Put more bluntly, the authority is needed they say, and I now use my own words, to buy our way into that Market. But I ask—how much are we going to pay to get in and how reasonable are they going to be, and, more important, how hard or how soft are we going to be in insisting that they not only live up to past agreements with us but, that we get a fair shake and a mutuality of consideration as far as the development of greater trade and economic expansion in the free world is concerned.

Let me add further. A serious question that keeps disturbing me is this. Even if we are successful in accomplishing the reduction of the external tariffs of the Common Market and getting access for our goods are concerned without the restrictions, how competitive are we going to be? Is it going to do us any good as far as the capacity to sell in the Common Market is concerned? We have heard in the past about the problem of dollars and the balance-of-payment problems; that they did not have the dollars to buy our goods and, therefore, we had to make concessions to them, so that they would have more dollars and then they could buy more of our goods.

Now, they have an excess of dollars. If they did not have an excess of dollars we would not be worried today about the balance-of-payments problem and the gold problem. But why are we worrying about it? We are worrying about it because these countries are building up dollar credits. They are not buying American goods. They get the dollars, but they are not spending them for American goods; they are keeping them in bank deposits, notes, or demanding gold. That is why we have the balance of payments problem, the gold problem that we are talking about.

Are they going to be any more free to buy our goods just because they can sell a little more here if we lower our duty and their duties go down? That is a question that bothers me.

In many areas where the labor content of the end product is high we know we cannot compete. The hearings are replete with examples of our inability to compete on many items. Just check the hearings and look to the testimony of Mr. Walter Reuther, look to the testimony of the representatives from the teamsters' organizations. I will admit that Walter Reuther appeared before the committee in support of the bill, but he acknowledged that we could not compete unless changes were made in the wage rates in Western Europe, and he said he was hopeful that that would follow. But will it follow? These are some of the questions that have been running through my mind at night as I tossed on my bed rather than sleeping, trying to come to a decision as to what is right on this bill.

Yes; this bill is sold to us as a miracle drug, but there are many questions, Mr. Chairman, which we must ask. The big question is whether it will cure or whether it will harm the patient.

The issue before us, as I see it, not whether the President should have authority and mechanisms to negotiate and bargain for expansion of trade. That is not an issue. Of course, we should.

The issue how much authority is it wise to give at any one time?

The issue is how will the authority be exercised.

The issue is what reforms will we initiate outside of the area of tariffs which will permit us to be competitive, not only overseas in the Common Market, but also in the free markets of the world? And what will permit us to be competitive here in our own market with foreign goods coming into this country? What steps will we take?

So it seems to me that some of our crying needs today are reforms in areas that will give us more competition than the bill that is proposed here that deals just with duties, because none of us need worry about the level of duties, as long as we are competitive.

The issue is, I think, what philosophy will guide the exercise of the power given?

During the consideration of this bill I tried to cooperate to the fullest extent with the Chairman of the Committee and the other Members of his side and the Members on my own side of the Committee. I tried to be constructive. I think the Chairman will agree. I tried to be responsible in the positions I took. I had no purpose at all of frustrating any action by the Committee to report this bill or extend the authority of the President.

I think every member of that committee will have to testify to the fact that tactics could have been used which would have made it virtually impossible to bring to the floor of the House the bill at this time. Instead, we tried to facilitate it.

Let me say, Mr. Chairman, this bill is a great improvement over the bill the President sent up to us, and I should like to think I may have made some small contribution to those improvements. But I am not saying that the bill is not without very serious dangers.

To me, the most serious danger is the philosophy inherent in this bill, and the philosophy of those who are requesting the authority to have the negotiating authority. This philosophy represents in this bill a basic shift in attitude. It is that in negotiating restrictions in duties in the future the Executive need no longer be concerned with whether the reduction will seriously injure a domestic industry. It is the philosophy that certain U.S. industries—entire whole industries—are expendable, and the President will determine whether any industry is expendable or not. That is the basic philosophy and that is the power I worry most about.

The basic U.S. policy specifically set forth in section 6 of the present Trade Agreements Act has been that tariffs would not be reduced to a level at which there would result serious injury to the American industry making a like product. The U.S. negotiators were thereby required to consider the effect of any proposed tariff reduction on American industry. This bill proposes to abandon that policy.

Certain undesignated industries will be regarded as expendable. Our negotiators will be permitted to reduce tariffs to the point at which serious injury will result. And the President will not have to report to the Congress, as he does now under our peril point provision. Under existing law, if the President goes below the peril point established by the Tariff Commission, the President has to justify this action to the Congress. But that will not be true any more.

The bill then provides adjustment assistance for the injured firms and workers. The U.S. negotiators—I will put this in quotes—are "bailed out" when they make "a bad bargain." Notwithstanding the no-serious-injury policy, the duties on imports into the United States have been reduced between 70 and 80 percent over the past 25 years. You would think by some of the talk we have heard that we have been standing still as a great protectionist country, and have not been doing anything. We have cut tariffs between 75 and 80 percent. These tariffs are substantially lower on balance than the proposed tariffs on imports from the United States going over to the Common Market. Where the remaining U.S. tariffs are essential to protect an American industry and American jobs from serious injury, in my judgment no further reductions should be permitted.

The responsibility of avoiding such injury should rest squarely on the shoulders of our negotiators. The adjustment assistance provisions, whether for firms or workers, are not substitutes for jobs or businesses. American firms and American workers should not be called upon to sacrifice their business or their jobs for a dole.

If time permitted, I would quote Under Secretary George Ball, to show what the philosophy of this bill is. Mr. Ball in a recent speech in Bonn, Germany, apologized for the fact that we increased our duty on glassware and carpets, an industry that the Tariff Commission found was being seriously injured as the result of the lowering of duties. And, what did he say? That that is all the law will permit us to do. But, he said we have a bill through the Congress and we do not have to do that any more. We can pay unemployment compensation to some of the workers for a while and we can make loans to some of the businesses which are injured, so that if anybody in the business or glassware or the carpet industry is injured, the President will not have to increase duties; he will have additional unemployment compensation for the workers and loans for the businesses. It is because of this philosophy, which goes along with the adjustment assistance, that the gentleman from Florida [Mr. HERLONG] and I introduced companion bills which would have continued exactly every wording of the negotiating authority contained in the bill reported by the committee as far as the right of the President to negotiate and the right of the President to declare new duties. That, as the chairman of our committee told us today, is the real important part of the bill that we should keep intact. But, we went back to the "no injury" basic philosophy, and we did not have this handout to buy them off, after we hurt them. By reinstating that "no injury" policy and eliminating the adjustment provision in the Herlong-Byrnes bill, it was our hope that this issue could be presented to the House so that the House could work its will. That, apparently, we cannot do. We were prevented from doing so by the rule and also by the parliamentary situation as far as the motion to recommit is concerned.

We have discussed the discrimination that will result if we pass this adjustment assistance as far as the workers are concerned, with the Manpower Training Act. I will not go into that. Someone may suggest that industries may not hurt but firms are. If we do not have adjustment assistance, we cannot help the firms. But, I think that is begging the point.

Under the Manpower Act we have provision for people whose skills become obsolete, who are out of a job because of changing circumstances. The Committee on Education and Labor wrote into its committee report the fact that one of the groups we are going to take care of under the Manpower Training Act was who? Workers displaced by imports. We have the Manpower Training Act to take care of those workers today without the Committee on Ways and Means getting into a field that it has no business getting into, when the Committee on Education and Labor has reported out and this Congress has passed a manpower training bill earlier this year. If that act is not any good, changes can be made. Amend it. Bring it in, but let us not discriminate between workers, and let us not ruin by enacting here an adjustment assistance program that will practically lay at rest the Manpower Training Act that that committee worked so hard on. We also have the Small Business Act to provide loans for firms.

Now, what am I going to do on this bill? Mr. Chairman, that is the problem I have had to face.

Mr. Chairman, I think the only way to get rid of these provisions is to send this bill over to the Senate, but not the bill as reported by the committee. I think the thing to do is to send an extension of the present act over for 1 year. That would give the Senate of the United States a vehicle on which to work its will. They can have the advantage of that work which has been done by the committee on the 26 pages relating to the President's authority, and let them take a good look at the 57 pages. This bill is not going into hiding. The Senate will have it to look at, and they can act on it.

I am against letting the authority expire. I think we have got to keep it alive. I would not vote for a straight motion to recommit. But I think this, at least, gives us an opportunity to send a vehicle over to the Senate. When the Senate works its will, it will go to conference. We have a chance to take another look at it, some of these sections certainly should not be in any bill from the Ways and Means Committee. That is my objection to the bill as it was. I was hopeful we could consider it on its merits. We cannot. Therefore, let us at least send it to the other body and the Senate can work its will.

Mr. Chairman, it is argued that some of us want to kill this bill. Mr. Chairman, I do not. I say to you, I say to the chairman of the Committee on Ways and Means, and all other Members, if the motion to recommit does not prevail and it is turned down, I am going to vote to at least send the bill reported from the committee over to the Senate.

I do believe, Mr. Chairman, that we must give the President some authority, but I do have very serious questions about the philosophy of this new bill and about some of the provisions contained therein. I think the best way to solve the concern that I have is to see to it that I do not put the stamp of approval on it in the first instance. My protest shall come through a motion to recommit, which will send the present law over there, extending it for a period of 1

year, and thereby we keep the matter alive. We then can take another look and see what the Senate has done, having the advantage of this debate, having had the advantage of the work of the Ways and Means Committee. When it comes back from conference we can see where we go from there.

Mr. Chairman, I yield back the balance of my time.

Mr. MILLS. Mr. Chairman, I yield the remainder of the time allotted to this side to the distinguished Speaker of the House, the gentleman from Massachusetts [Mr. McCORMACK].

The CHAIRMAN. The gentleman from Massachusetts is recognized for 8 minutes.

(Mr. McCORMACK asked and was given permission to revise and extend his remarks.)

Mr. McCORMACK. Mr. Chairman, I want to congratulate the Members on both sides of the aisle, without regard to what position they have taken on this bill, who participated in the debate. Certainly, the debate has been in accordance with the highest traditions of the House of Representatives.

Mr. Chairman, I listened with special intrest to the remarks of my friend, the gentleman from Wisconsin [Mr. BYRNES]. In all frankness, I must sharply disagree with the gentleman in the premise that he takes in relation to the motion to recommit. In my opinion that would be a vote of "no confidence" in the Ways and Means Committee presided over by the distinguished gentleman from Arkansas [Mr. MILLS], as well as a vote of "no confidence" in the other members of that great committee. Also, in a sense, it would be an abdication of our own responsibility as one of the coequal branches of the Congress of the United States. In other words, the gentleman from Wisconsin [Mr. BYRNES] suggests that we take a negative course to bring about what the gentleman hopes would be an ultimately affirmative result along the lines of the gentleman's position.

The parliamentary situation is certainly not the fault of the Speaker. Parliamentary situations such as the gentleman referred to may exist. I refer to that so that there will be no thought in anyone's mind that there was any parliamentary maneuvering employed by the majority party directly or indirectly to prevent the gentleman from Wisconsin [Mr. BYRNES] from being recognized to offer his motion to recommit.

Mr. BYRNES of Wisconsin. Mr. Chairman, will the distinguished Speaker yield at that point?

Mr. McCORMACK. I am happy to yield.

Mr. BYRNES of Wisconsin. I certainly want to confirm that I had no intent to implicate the majority leadership or the members of the majority or the Speaker in that particular comment.

Mr. McCORMACK. I know that; and I am glad the gentleman made that observation, because if there was any vagueness in the remarks that I made that might justify such an inference, it certainly was the farthest thought from my mind. The gentleman's observation removes any possibility of misunderstanding in that respect.

This measure was developed in the Committee on Ways and Means. A recommendation and a bill came from the President, and the bill was introduced. That occurs in all administrations. The members of the Committee on Ways and Means, by bipartisan action, conducted hearings and then held long executive sessions. The bill that came out of the committee is before the House at the present time and represents bipartisan thinking and bipartisan action. It is distinctively a committee bill. There may be some provisions in it that I may not lke, or some other Member may not like. But if we look at the bill in its entirety, certainly it is a bill that is about as good as has ever been reported out of a committee, having in mind particularly the difficult subject involved in this legislation.

We are justified in looking at the bill as a whole. Certainly those who favor this legislation can say that at least 95 to 98 percent of the provisions of this bill are sound—I believe 100 percent. But if there is some slight disagreement, those who support this bill—and I am speaking now from a bipartisan viewpoint—may well say that 95 to 98 percent of the provisions of the bill are sound.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I am happy to.

Mr. HALLECK. I hope our beloved Speaker will agree with me that if the motion to recommit prevails the measure would go to the other body and hence a vote for the motion to recommit, assuming it prevails, is not a vote to kill the bill but may be interpreted as a protest against some of the provisions which I may say to the gentleman I do not like in the committee bill.

Mr. McCORMACK. I cannot agree with my friend on that premise. I said it would be a vote of lack of confidence in the Committee on Ways and Means, and it would be a vote equivalent to the House abdicating its affirmative responsibility. I think the logical thing would be to send the bill, under these circumstances, over to the other body. Then the gentleman from Wisconsin and others can try and urge the Senate to amend the bill to eliminate the provisions they object to; then let that go to conference. That is the affirmative way of handling the situation rather than the negative way which has been proposed.

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I am happy to yield to the gentleman.

Mr. MILLS. This bill is a revenue bill; it affects duties. Under the Constitution such legislation must originate in the House of Representatives. I feel certain that my good friend from Indiana does not mean to convey the thought that we should send over there a simple one- or two-line bill, and trust to the other body the responsibility of correcting it. Would it not be better to send the bill itself to the other body? Then the other body will have to go through this bill line-by-line, word-by-word, and make such changes as it sees fit to make in the bill. Those changes could then be resolved in a conference, in which the gentleman from Illinois, and the gentleman from Wisconsin, along with some others, would represent the House, in all probability.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Indiana.

Mr. HALLECK. Certainly I appreciate the observation of our very able chairman of the Committee on Ways and Means, but I would just like to point out that whether it is a short bill or the committee bill the other body is going to work its will. I would hope if it is the committee bill some of the provisions which I think are highly objectionable would be taken out. As far as I am concerned, and as one who has through the years supported the extension of the Reciprocal Trade Agreements Act, and who wants now to be in a position to promote foreign trade for our country, my view is that the best way to wind up with a bill that is in the best interests of our country is to vote for recommittal.

Mr. McCORMACK. With all due respect to my friend from Indiana, I still think the position I have stated is correct. First, the adoption of the motion to recommit is a vote of "no confidence" in the Committee on Ways and Means, in a sense, indirectly. Certainly it is an abdication on the part of the House of its affirmative responsibility. The thing to do is to send the bill over to the Senate, let the Senate amend it, and then let the bill go to conference.

I strongly urge the rejection of the motion to recommit, and I equally strongly urge the passage of the bill.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. ALEXANDER. Mr. Chairman, the importance of the legislation now before us and the significance of the action we are about to take are, I believe, manifestly clear. Today, on every front, our Nation's preeminent position of world trade leadership is seriously and immediately challenged: Competition in world markets becomes more difficult for us each year; we are currently running an extremely dangerous balance-of-payments deficit; the European Economic Community, potentially the world's largest trading area, looms before us posing a great peaceful challenge to our trading stature; we are confronted by the threatening and hostile trading challenge of the U.S.S.R. which questions the very existence of our economic way of life. In the face of these challenges and in response to the impending expiration of the Reciprocal Trade Agreements Act of 1958, we are called upon to find real and lasting solutions to our country's foreign trade problems.

With all due respect to the Ways and Means Committee, which labored long and carefully over the proposed trade bill, I am constrained to say to you now that the changes proposed by this bill are so fundamental and far reaching and the expert views expressed before

the committee so divergent yet convincing as to demand that we proceed on this matter with great deliberation, much freedom of action, and the utmost caution. Clear, cogent, and, I believe, dispositive, arguments compel us to extend the present Reciprocal Trade Act for 1 year while recommitting the proposed bill for further study.

In the first place, a great deal of the mystery and uncertainty which now surrounds the EEC should disappear within a year's time. Indexes as to the composition of the Common Market, especially with regard to the proposed entry of the United Kingdom into the trading network, should then be easier to read. Another year might render intelligible the sincerity of the market's alleged desire to lower tariffs externally. This sincerity is presently questioned in view of her recent action on carpets and glass and in light of the impending imposition of variable levies, both moves being labeled by many as giant steps toward protection. In short, I would say that the general air of urgency has been overemphasized and that our bargaining position will not be seriously impaired by delaying action on highly conjectural matters for 1 year.

Second, I point to the dark and ominous cloud which presently hangs over our domestic economy. Many doubt that we can remove this cloud or cure the existing ills of our economy merely by injecting a little more life into an activity representing only 3.8 percent of our national product. Even more believe that if the market becomes further clouded by import competition at this time, companies are likely to take retarding steps of cost reduction rather than the desired expansionary measures of building new plants and enlarging existing facilities. We know all too well that fear may discourage even normal expansion. Before passing this controversial and conjectural trade bill, let us strive to remove the present cloud and recoup recent losses.

Third, I call your attention to the regrettable uncertainty now existing with regard to our Nations textile industry, whose importance to our national security has been labeled second only to steel. It is readily admitted that any primary injury from implementation of H.R. 11970 will fall upon import-competing industries, and it is clear that our textile industry is an import-competing one. In spite of the President's wisely proposed and urgently needed seven-point program for textiles and despite some concrete steps toward implementation, uncertainty prevails with regard to textiles because of the Tariff Commission's tardiness in acting on proposed elimination of the 8½-cent equalization fee on cotton and because of the resulting indefinite status of our long-term Geneva Agreement on Textiles. Within a year's time the status of these matters will no longer be in doubt and we may not face even the remotest danger of damage to or obliteration of our vital textile industry.

A fourth factor, closely related to the textile situation, is the general defense posture of the United States. Under conditions of national emergency practically every industry is essential for our survival. An additional year of study will help us to determine whether or not strong tariff protection is generally necessary, even at the expense of more inefficiency in the national economy, because of the greater cost of not having domestic sources of supply during emergencies.

Fifth, I would remind you that considerable doubt prevails over the number of workers who might be hurt, over the number of jobs that may remain unborn because of import competition, and over our ability to compete successfully with foreign industry which has moved rapidly into our own technological dimension while facing none of our wage, hour, child-labor, or antitrust laws. These matters readily lend themselves to a year of intensive study.

As a sixth area which calls for caution and deliberation on our part, I point to the argumentative and disputatious adjustment assistance provisions of the bill. The mere presence of these provisions in the bill and the extended testimony in committee attest to the fact that there will assuredly be short-run adverse effects on individual businesses and workers. We cannot expect these injured individuals and businesses to philosophically accept their fate and to gladly offer themselves as sacrifices on the altar of an abstract thing called the national interest. Perhaps we cannot justify as a governmental function the total destruction of a segment of American industry or the shifting of manpower from one great industry to another or the uprooting of families and the moving of them to distant communities. Perhaps the pain and cost of such a transformation, even if it results in an overall gain for our economy, is far too great. We must not take lightly our responsibility in these areas. None of us seeks to create an extended Federal dole. Nor do we want to federalize our individual State systems for paying unemployment benefits. An additional year can, I believe, be wisely and expeditiously used to strengthen safeguards in these areas which affect certain of our citizens in such a significant and vital manner.

Finally, I would stress to you the obvious fact that it is a vastly broad and sweeping authority which we are asked to give to the executive. Although this power would not, I am sure, be lightly taken, yet, if we are to fulfill our constitutional mandate, we must take every precaution to delegate our authority with fitting and proper guidelines.

In closing, let me make it clear that I do not oppose new and bold solutions to new and challenging problems, but in matters so fundamental and far reaching, I believe that caution must be our watchword. Recommittal for a year of intensified study will not damage our bargaining posture; it can and will clarify the vital issues we now seek to resolve.

Mr. BRADEMAS. Mr. Chairman, one of the most respected newspapers in the State of Indiana and in the Midwest is the South Bend Tribune, which is published in the congressional district I have the honor to represent.

During the last several weeks and months, the South Bend Tribune has published a series of editorials which, in my judgment, are among the most thoughtful and intelligent discussions that I have seen of the trade legislation we are today considering in the House of Representatives. Each editorial is addressed to a different aspect of the issue.

I include at this point in the RECORD a number of these editorials from the South Bend Tribune:

[From the South Bend (Ind.) Tribune, Jan. 26, 1962]

WE CANNOT STAND STILL

President Kennedy's special trade message to Congress yesterday was easily the best of the batch of communiques that have been flowing from the White House to the Hill since Congress reconvened.

It clearly established the challenge facing America in the world market.

It clearly detailed the remedies.

It was a clear call to action.

The message repeated the President's earlier request for strong tariff-cutting power, but the most interesting portion of it was devoted to the problem of what to do to help industries and people that will inevitably suffer from the change.

Mr. Kennedy, it seems to us, was exceptionally wise in the recommendations he made. Disavowing any "subsidy program of governmental paternalism," he called for attacks on this problem to be launched at three levels.

On the level of entire industries, he asked the retention of escape clause and peril-point provisions for temporary, industry-wide relief.

On the level of individual companies, he urged tax and depreciation allowances, again on a temporary basis, to give troubled companies time to make their own adjustments toward new competitiveness.

On the level of people, he called for extended unemployment compensation benefits for those who are thrown out of work as a result of increased imports. Other suggestions involved job retraining and financial help for workers who want to move to area of employment that will be strengthened by the changes.

In short, Mr. Kennedy recognized that the trade changes he seeks will create a problem that legitimately calls for remedies at the Federal level. At the same time, he resisted the temptation to seek corporate and individual subsidies which, far from solving the problems, would only insure that they stay and stay and stay.

Critics of the administration program already are concentrating their fire on the tariff-cutting power Mr. Kennedy is seeking. They call it one more "power grab."

Actually, Presidents have had tariff-tampering powers since 1934, and the last big extension of such power was granted to Mr. Eisenhower in 1958. Mr. Kennedy wants more. He doesn't want something new.

As for the challenge, the President pointed again to the existence of the European Common Market, the goad that is forcing the United States into action.

He put the challenge well:

"We cannot ourselves stand still. If we are to lead, we must act. We must adapt our economy to the imperatives of a changing world, and once more assert our leadership."

To that we say "Amen."

[From the South Bend (Ind.) Tribune, Mar. 12, 1962]

INDIANA AND THE WORLD

Several interesting facts were highlighted during the recent Governor's conference on foreign trade.

And even though the Indianapolis conference was quite frankly designed to promote State support for President Kennedy's tariff reform proposals, facts are facts. Even diehard protectionists, we think, can find food for thought in these:

Fact No. 1: Indiana ranked 10th among the 50 States in the value of its exported manufactured goods in 1960, the last year for which complete figures have been assembled.

Fact No. 2: The value of the manufactured exports totaled $483.6 million.

Fact No. 3: More than 300,000 Indiana workers in 1960 held jobs in 312 Indiana industries with substantial exports.

Fact No. 4: On the agricultural front, Indiana exported farm products worth $149.3 million during the 1960–61 crop year.

President Kennedy has warned that current U.S. export business will be seriously hurt if this country doesn't take steps to maintain and substantially improve its ties with the European Common Market.

Indiana, obviously, would be among the most seriously hurt.

[From the South Bend (Ind.) Tribune, Mar. 27, 1962]

AN UNDERESTIMATED THREAT

In attempting to sell his trade program to Congress, President Kennedy has dwelled time and again on the danger to the United States of a united Europe with which we did not have close economic ties.

Is the danger legitimate, or is it an empty threat to dangle over Capitol Hill?

In St. Joseph a few days ago, members of the Economic Club of Southwestern Michigan heard a speaker who thinks the threat is not only very real but, if anything, underestimated.

He's Nate R. White, former financial editor of the Christian Science Monitor and now editor of the American Banker.

The European Common Market, he said bluntly, shows signs of becoming a new empire, "the greatest empire the world has ever known."

If America turns its back on this empire, he warned, Europe could retaliate so effectively that the United States would become "a third-rate economic and monetary power within 5 years."

On the other hand, a unified Europe—alone or in cooperation with America—will be a political buffer to the expansion of communism.

If Mr. White is correct, this country had better start buddying up to the Old World. As soon as possible.

[From the South Bend (Ind.) Tribune, Apr. 20, 1962]

TOWARD CONFEDERATION

The foreign ministers of six European Common Market nations sat down in Paris this week to talk about political, as well as economic, unification.

The talks quickly got snagged in a dispute over Britain's role in unification negotiations. The six ministers closed their briefcases and went home.

This week's incident delays, but does not scrap, the movement toward a political union of European states. The Paris meeting, in fact, is apt to prove far less significant in the long run than a conference of the ministers held earlier in the month in London.

At that meeting West Germany and Italy—both of which had been pushing for a supranational federation of European countries—indicated they are now willing to settle for a looser confederation that will leave member countries more of their traditional powers over internal affairs.

The two countries, in effect, capitulated to France's version of what form European unification should take. Britain also has expressed interest in a confederation.

That's why this week's Paris snag may prove relatively unimportant. The drive toward confederation is expected to keep going, and results may come sooner than many Americans think.

For the United States this prospect is one more compelling reason why Congress must act on President Kennedy's trade proposals during this session.

The time to get in on the blossoming European market is now, before Europe raises her own protective barriers. A year from now might be too late.

[From the South Bend (Ind.) Tribune, Apr. 24, 1962]

HOW TO MEET FOREIGN COMPETITION

With the administration's free-trade proposals under discussion in Congress and commanding much attention throughout the country, it is worth everyone's time to take a look at the U.S. automobile industry.

It offers a striking example of how Americans react to foreign competition in the dimestic market when the chips are down.

The chips were down in 1959 when imports threw a mighty scare into the American industry by selling 614,000 vehicles in the United States.

The story of the rise of the compacts and medium-sized vehicles in the U.S. industry is now well known. But what has this done to stem the tide of imports? Are not imports still taking a big bite out of the domestic sales pie and thereby cutting into American production, sales and jobs?

Let's look at the record.

Sales of imports were down last year to 379,000. At the current rate of sales, imports are attracting only one of every 20 new-car buyers compared to one in ten 3 years ago and one in sixteen last year.

Add to this the fact that registrations of imports in the first 2 months of this year were 3 percent below the registrations in January and February of 1961 in the face of a 29-percent sales gain for U.S.-made autos and the picture of how the U.S. industry is recovering comes more clearly into focus. The rougher going for the imports is further reflected in the fact that the number of dealers handling foreign cars had shrunk from a high of 15,000 in 1959 to approximately 12,000 at the end of last year.

Facts like these tend to support the contention of free-trade advocates that U.S. industry can take care of itself in the domestic markets.

How to compete in foreign markets is another problem. But given a fairer chance to compete, American industry ought to be able to do better.

[From the South Bend (Ind.) Tribune, May 21, 1962]

THREAT OR OPPORTUNITY?

As the United States moves haltingly toward new legislation that would tear down many of the country's traditional trade barriers, a nagging question continues to bother a lot of Americans.

Can this country compete against lower wages abroad?

One respected businessman who thinks the answer is an unqualified yes is Eric Johnston, a former president of the U.S. Chamber of Commerce. In a recent article, he makes four solid points to support his optimism.

One cites a study which showed that when the average Japanese worker was making 22 cents an hour, his opposite number in America was making $1.95. But the Japanese was turning out 30 cents worth of merchandise in that hour, while the American was producing $3.19 worth.

The "wage gap," Johnston observes, is closing—not rapidly but steadily. In 1960, for example, the increase in gross hourly earnings in this country was 5 percent. In Germany it was 12 percent, in France 11 percent.

Moreover, Johnston points out, production is only one part of the competition picture. U.S. distribution and sales techniques give this country a big edge in the world market.

And last but not least, Johnson sees foreign competition as a spur to U.S. industry to find new and better products, and new and better ways of making them.

For this businessman, in short, freer world trade is not a threat but an opportunity.

[From the South Bend (Ind.) Tribune, May 23, 1962]

ROUGH WATER

The administration's trade bill, having made a highly successful voyage through the House Ways and Means Committee, is about to enter the much rougher seas prevailing on the floor of the House.

The legislation to expand the Preisdent's tariff-cutting authority is scheduled to go the the full House before June is many days old. If it can survive that passage, the worst probably will be over.

The bill is specifically designed to permit the United States to set up a realistic economic partnership with the European Common Market.

On a recent television program President Kennedy said this about the importance of the legislation: "What we have to do is to have the tools to negotiate with that market, so our goods can get behind their tariff wall."

Otherwise, Mr. Kennedy warned, this country's favorable balance of trade will be in jeopardy. That balance, it's well to remember, ran almost to $5 billion in 1960.

Why all the urgency to push the legislation through this session of Congress? As Mr. Kennedy put it, "We're either in at the beginning, or we're never going to get in."

The President then called the trade bill "the most important piece of legislation before the country this year."

He's dead right.

Mr. Chairman, one of the most interesting and illuminating discussions of the trade bill appeared in a recent television program, "CBS Reports: Breaking the Trade Barrier," which was shown on May 24, 1962.

I include at this point in the RECORD the transcript of this television broadcast:

BREAKING THE TRADE BARRIER

DAVID SCHOENBRUN. This is the 23d CBS report of the current season, in which the 35th President of the United States, John F. Kennedy, and the 34th President, Dwight D. Eisenhower, will state their views on how America must face the promise and the peril of the European Common Market. But other voices will also be heard, for this challenge affects all of us.

HAROLD HOBSON. This trade act is way completely over my head. All I know is, that I have a problem here, and I don't know how I'm going to meet it.

WILLIAM LUDWIG. It's not a Common Market. To us, it's a come-on market. In other words, you come on here and share our market that we've built up.

TIM WIBLE. It's my opinion that free trade, the Common Market, is good for America, so it's good for me.

CHRISTIAN HERTER. I think, in our own long-range interest, it's absolutely necessary that we go step by step with the Europeans in the creation of this vast, joint market, so

to speak, from the point of view of increasing trade, increasing prosperity, increasing ability to help less developed nations. I think it's an essential, and that there is really no alternative to it.

CARL GUSTKEY. We are experts by experience in this business of world trade, because we've been burned. It's time that we told Mr. Secretary So-and-So in Washington off, when he accuses us of being economic illiterates, economic boobs, and mental midgets, just because we oppose legislation before the House Ways and Means Committee.

ANNOUNCER. Now "Breaking the Trade Barrier." Here is CBS Chief Washington Correspondent David Schoenbrun.

FATE OF THIS NATION

Mr. SCHOENBRUN. The fate of this Nation, and sometimes the world, has been on great occasions, decided under this Capitol dome. Today, we are living through another of those great moments in history as the Congress prepares to vote on the Trade Expansion Act, a bill designed to meet the challenge of the Common Market. It aims to break the barriers and clear away the paper jungle that obstruct trade among the otherwise free peoples, so that there might be created an economic community of five hundred millions, the most powerful the world has ever known.

HISTORIC BARRIERS

The history of the United States has always been closely linked with that of Europe: A Europe divided by walls between the nations. Men from England, France, Holland, Spain, and other countries carried the mentality of the wall with them when they came to America and formed the Original Thirteen States with tariff walls between them. Pennsylvania had a protective tariff on liquor. In Virginia, it was sugar, liquor, coffee, and tobacco. New York, gold watches and horse-drawn carriages. Massachusetts, leather goods, plated ware, vehicles, and so on. In 1789, the Founding Fathers and the Constitution knocked them down, and the United States became the first common market. America was able to grow economically as more and more States joined the free Union, but as she grew, Europe remained bound by its protective walls. In 1939, World War II began the final process of demolition convincing devastated Europe that some sort of unity was necessary. This resulted in the formation of the European Coal and Steel Community in 1950, leading directly to the Treaty of Rome in 1957, when Jean Monnet and others demolished the walls between France, Germany, Luxembourg, Belgium, Holland, and Italy, creating among them a Common Market. But even as neighbors removed the walls between them, they moved to build a new common wall against outsiders. That's one reason why Great Britain, Denmark, Norway, and others now want to join the Common Market. If that market is extended to include all of Europe, then what emerges are two huge supermarkets—Europe—and the United States—two strong trading blocs facing each other. What is the answer? Leaders of America and Europe say: "Tear those walls down." In the words of President Kennedy: "Trade or fade."

"TRADE OR FADE"

In order to trade, the President urgently needs the approval of Congress, for the current Reciprocal Trade Act expires next month. This bill, H.R. 9900, is the President's request for new powers. It would grant unprecedented powers to eliminate all tariffs on a wide range of commodities—cars, refrigerators, airplanes, where America and Europe are the world's dominant suppliers. All other goods could be cut across the board, up to 50 percent over the next 5 years. The controversy over H.R. 9900 reaches into every American factory and into almost every home. It touches our newest industries, such as jets and automation. It reaches way back to our oldest industry, glassblowing. In West Virginia and Ohio, the glassblowing tradition still continues pretty much the way it was three centuries ago. Europeans, too, still work glass pretty much as they did for ages, but the wages are much lower than Americans are paid, so that for glassmen, the words "low tariffs," "Common Market," are dirty words in such cities as Bellaire, Morgantown, Moundsville, and the other towns of the Ohio Valley. The city of Bellaire, Ohio, with a population of about 11,000 is in Belmont County, a county where 15 men out of every 100 are unemployed. Bellaire is a one-industry town—handmade glass. Three weeks ago, at a protest meeting of 400 workers and wives, who came from nearby West Virginia and Pennsylvania plants, the workers expressed their concern to Congressman JOHN DENT, Democrat, of Pennsylvania, a former glassworker, himself, now chairman of a subcommittee concerned with bill H.R. 9900.

NATHAN BERGER. Congressman DENT, I wish you would take a good look at these two goblets. One of them is made in a foreign country, made in West Germany, selling in Abraham Straus, Brooklyn, N.Y., store at a cost of $1.30. I have an exact duplicate here—a goblet made in this country, in the Fostoria Glass Co., selling on the market for a price of $2.75. You can readily see what the manufacturers in the United States have got to put up with, in order to compete with foreign imports into this country.

"WE WANT JOBS"

PAUL BENNINGTON. If Congress passes the H.R. 9900 bill in Washington as we see it we believe that the glass—the hand plant glass industry will be doomed. And I, I just can't understand how they could pass a bill to eliminate your workingman's job.

Mrs. MILDRED HAMCO. It seems to me that the American public has been doing all the giving and some other nation has been doing all the taking. I think that the American worker is being dealt with fast and loose. Our jobs are being exported to foreign countries whose wage scale is far below ours. In Japan, for instance, the wage scale is 25 cents an hour. Now, if we could live on a bag of rice, that would be fine and dandy, but I think we are used to meat and potatoes here in the good, old United States. We want jobs. There is dignity in having a job. We do not want to stand in line and wait for a check. So, when you go back to Washington, you tell your colleagues to put that door back on its hinges; it has been flapping in the wind just a little too long.

Mr. SCHOENBRUN. Congressman DENT is ready and willing to carry the word back to Washington.

PERCENTAGE OF JOBS LOST

Congressman JOHN DENT. This is the first time in the history of the United States of America that Congress has been asked to vote for legislation which spells out in the legislation that certain industries are expendable and certain numbers of jobs, workers, are to be displaced. How can any conscientious Congressman, coming from some area other than an industrial area such as this, vote to take your job away simply because his people are secure? There are only 4 percent of all the American corporations that export even 10 cents' worth of their products. Yet, these 4 percent industries are, today, dictating to the 96 percent of American corporations that have to live within this economy. This means that the IBM's, the Gillette Razor companies, the Ford Manufacturing Co., and G.M.C.—all of the rest of them—these are the corporations that have plants scattered all over the world. Back as far as 1954, 30 percent of all the imports coming into the United States were financed by American corporations overseas. Lord knows how many there are today and you can't find out. I can't believe, or conceive, in spite of all of the high-powered pressure being put upon Congress and upon the people of this country, I can't conceive of the Congress passing H.R. 9900 as it is now written, and if it is passed, I can't conceive of any President putting it into force as it is now written, because if he does, I can assure you that either Congress will be called back to repeal it within 2 or 3 years, or we will have the most disastrous economic breakdown in our history.

Mr. SCHOENBRUN. That's the feeling of the glassmakers throughout the Ohio Valley. Yet, ironically, Germany and Italy are two of West Virginia's and Ohio's best customers for products other than glass. The West Virginia coal industry employs 43,000 miners who work in the world's most highly automated mines, and nearly 9 million tons of its production, each year, go to stoke the expanding prosperity of its glass competitors, Germany and Italy. Every day, endless miles of coal hoppers carry the ore to the great port of Hampton Roads, Va., and much of it goes to one of West Virginia's best customers, the Italian steel industry. Without its foreign coal customers, West Virginia, probably the most depressed area in America, would be in even worse trouble. And as for Ohio, even while 550 glassworkers of Bellaire ask for more protection from competition abroad, Ohio ranks fourth among our States in goods manufactured for export, directly employing over 600,000 of its citizens to fill its foreign orders. Wean Engineering, in nearby Warren, Ohio, makes steel processing equipment, does 58 percent of its total business for the export trade. E. W. Bliss, with a plant in Salem, and this one in Canton, exports its heavy machinery, mostly to Germany and Italy. Both Wean and Bliss sell their products to Fiat, which spends nearly $3 million for parts in Ohio alone, and as the Italians point out, they thus provide work for more people than there are in Ohio's hand glass industry.

HORNBLOWERS ON BANDS AND BICYCLES

H.R. 9900 affects hornblowers as well as glassblowers. Elkhart, Ind., is the wind instrument capital of the world—or was. But the winds of trade have blown a sour note which reaches right into Elkhart High School. That clarinet, which was being tested with the Colonel Bogey March, at the Conn Instrument factory will not necessarily end up in the Elkhart High School Band of a hundred and twenty pieces. Specifically, this clarinet was manufactured in the Selmer plant in Paris. Many musicians in the band and in the 29,000 brass bands across America do use Indiana instruments, but the ratio to low-cost horns coming from France, Germany and Italy, is growing less. William Ludwig, a big drum man, sang the industry's blues to Congress.

Mr. LUDWIG. Why, last year, alone, the sales of band instruments in this country—14 percent of all brass instruments were made abroad, and 39 percent of all clarinets were made abroad. Now, I ask you, is that going to be good for America to have band instrument plants close down, gradually eliminate jobs and put people out of work? And this is what I told them down in Washington. I told them that Elkhart, Ind., and other factories in Chicago, Boston, Elkhorn, and Wisconsin, could be very well wiped out.

Mr. SCHOENBRUN. But everyone doesn't play the same tune. Paul Richards, who manufactures clarinets, tubas, and drums, says that Elkhart can compete.

PAUL RICHARDS. You'll find that musical instruments are made today in almost the same manner in which they were made 10, 20, 30, 40, even 50 years ago, and while other American industries have kept up with advanced materials, advanced manufacturing methods, and new ways of producing good products, in many cases, I'm afraid we in the music industry have not kept

up like we should have. It's about time that a good American manufacturer starts to develop a good American woodwind line, so that's what we've done. We have a key right here that made the old way required 28 operations, and under our new system, our new material, new manufacturing process, we'll make this complete key in 7 operations, and yet it'll be a far better, more durable, and better performing key. We believe that this is the way in which we can compete in a free market, compete against our own American competition, and compete against the Common Market competition, and in fact, possibly even get a little piece of the Common Market business ourselves.

Mr. SCHOENBRUN. Music isn't the only industry hurting in Indiana. There is also the bicycle accessory business. As Glenn Boxell of Marion says:

GLENN BOXELL. It took us 10 or 15 years to educate the bicycle makers in the United States—I shouldn't say educate—I would say to get them convinced that they ought to put a horn on a bicycle. We designed one that would fit inside their tank—just like that—operates on a single flashlight cell, and we got it moving in good volume. The first thing we know, we go back for a repeat order on one of the bigger bicycle makers in know? We're not buying your horns any more. We're buying this one." Well, you have to look at it with a magnifying glass to find a mark that says "Made in Japan" on it, and that's what we've been running into for 5 or 6 years.

Mr. SCHOENBRUN. Roy Alexander in Anderson says the tile business is also in trouble.

PROTECT OR DIVERSIFY?

ROY ALEXANDER. They say that we want a tariff so the other country can't sell in this country. That is not at all true. We want a tariff to equalize their costs with our costs, so we can keep our worker at American wages. We can't do that the way it is now. If we have protection, sure. If we don't have the protection, we won't live long enough to wait till their wage scale gets up to ours.

Mr. SCHOENBRUN. Post hole diggers and garden tools are also feeling the pinch of foreign competition in Indiana.

Mr. HOBSON. Just look at those two post hole diggers. This is mine and this is a copy the Japanese have sent back at us. Mine sells for $6; the Japanese for $3.50. It's really a problem.

Mr. SCHOENBRUN. Mr. Hobson, do you have any other line that you make in this factory that the Japanese can't compete on?

Mr. HOBSON. We're always alert to any opportunity to make a buck for Seymour. We have tooled. We've brought in the very latest machinery that we can possibly bring, in an effort to meet this situation. We purchased a drill press—radial drill that was made in Italy. We were able to buy that for approximately $8,000; whereas, the American manufacturer had to get $20,000 from us. We also have a saw, gang ripsaw, that we bought from West Germany, that we bought for $660, and the equivalent of which the American manufacturer would have to charge us about $20,000.

Mr. SCHOEBRUN. Well, then I imagine that American tool manufacturers must be complaining, as you are, of your buying these foreign machines?

Mr. HOBSON. If they aren't they certainly should be, I would say.

GREATEST GOOD FOR GREATEST NUMBER

Mr. SCHOENBRUN. But trombones, tiles, and bicycle horns are but a small part of Indiana's huge gross State product of almost $13 billion a year. It's America's 10th largest exporting State, and the low tariff advocates point out that the few thousand jobs it might lose to foreign competition are more than compensated by jobs created through foreign sales. Europeans are not only breaking through trade barriers, they are breaking through mountain barriers like this tunnel under the Mont Blanc, separating France from Italy, and they're using American machines and diesel engines costing millions of dollars, and providing jobs for thousands of Americans in the Cummins plant of Columbus, Ind. The Perfect Circle Piston Ring Co., of Hagerstown, Ind., exports millions of dollars worth of rings to a long list of customers, such as Fiat in Italy, Daimler-Benz in West Germany, and many others. The examples go on and on from pharmaceuticals and tractors to field crops and livestock. Gov. Matthew E. Welsh has to weigh the profits and losses of H.R. 9900 as it affects all of Indiana.

GOV. MATTHEW E. WELSH. We must remember that Indiana has almost $500 million of foreign trade a year, and we cannot afford to jeopardize the tremendous business that's involved here, both in agriculture and in industry, just because of a few instances where we know there is going to be hardship result. If we did attempt to save all of these isolated instances, we could very well seriously jeopardize the whole export trade of the State, and the net result would be a substantial increase in unemployment, a substantial drop off in this business. Now, I don't mean to say that we are not concerned about the welfare of these individual cases where we know that some hardship may well result because of increased competition, and certainly, we are concerned with the measures that are going to be taken by the Congress to see that these people—that the injury that they suffer is in some way ameliorated, but, nevertheless, we have to remember the basic concept that we must do what is good for the greatest number of our people for our economy, for our society.

CAPEHART OBJECTS

Mr. SCHOENBRUN. As we've heard, Governor Welsh is for the President's bill, but Indiana's Senator HOMER CAPEHART is against it.

Senator HOMER CAPEHART. We've always had a policy in this Nation that if a man's business was injured or harmed and men lost their jobs, we raise the tariff, or invoke quotas. That has been abandoned completely. We're going to say under this proposal: "That if you can't compete, it's too bad. You go out of business. And if you, Mr. Wageearner, lose your job, it's too bad. We'll try to find a new job for you some place. We'll move you from one town to the other." Now, I'm opposed to that policy, because we cannot compete in many, many instances with foreign nations with their low wages, their low tariffs—taxes, and other rules and regulations. That's what I'm opposed to. Now, the idea that we can increase jobs by increasing our exports is 100 percent correct, but by the same theme, every time we increase exports, we mean we were going to increase imports, and every dollar's worth of imports that come in here loses a job for someone. And then I'm opposed to the fact that it gives the President of the United States 100 percent control of foreign trade. There's no restraints in the proposal. There's no vetoes on the part of the Congress. He, and he alone, runs it, and if he makes a mistake, God help us.

BIG BUSINESS BENEFITS CITED

Mr. SCHOENBRUN. The Senator says—Don't let any one get hurt. The Governor of Indiana says—We've got to go with the greatest good for the greatest number. Labor Department figures show that only 300,000 American workers hold jobs that risk injury from foreign competition; whereas, 4 million citizens earn money from export industries, which are also high wage industries. The aviation industry is a forceful symbol of breaking down tariff barriers. And the jet airplane is a big reason why the State of California is one of the largest exporters to the Common Market countries. Douglas DC–8 jets are turned out for Alitalia Airlines, Scandinavian, KLM Dutch, Japan, Swiss Air, and so on, amounting to over a half billion dollars in sales, and creating tens of thousands of jobs in 48 States and in over 4,000 different factories, which supply parts to Douglas. Many of these suppliers are probably unaware of the extent to which they are involved in exporting. In each jet, there are 75,000 pounds of aluminum—from Alcoa in Davenport, Iowa—from Reynolds in Louisville, Ky.—from Kaiser in Trentwood, Wash. Among the jet's 140,000 separate manufactured parts are 36 miles of electrical wire, much of which comes from Clinton, Mass.—the automatic pilot, from Sperry in Long Island—weather radar from the Bendix Corp. in Baltimore—landing gear struts, Cleveland Pneumatic Tool Co. in Cleveland—and, of course, those four jobmaking engines at a quarter of a million dollars each, from Pratt & Whitney in East Hartford. Further up the west coast, in Seattle, Boeing with its 707's, is an even bigger exporter—111 jet passenger liners at $6 million each, for Air France, Sabena, Lufthansa, BOAC, and Air India.

When one checks the lineup of the pros and cons on the trade bill, one discovers, without surprise, that the pros are the industrial giants who sell to the world, and the cons are mainly the small handicraft businessmen who cannot compete with cheaper foreign labor and who look to tariffs for protection. There is a particular irony to the fact that the very symbol of Americana, the baseball glove, is threatened by imitations made in Japan. This is the Matsukan factory in Kazo City, about 70 miles north of Tokyo. It makes gloves and mitts for America's national pastime, in a small rural plant, whose average wage of 72 cents a day is particularly low, even for Japan. The gloves sell for half the price of the American mitts, and have cornered almost 50 percent of the American market. But not every American company, hurt by foreign competition, is against the trade bill. Such is the case in Bell & Howell, whose chairman of the board, Charles Percy, is a strong advocate of free trade, although his business is frequently hurt by it.

BUSINESS STANDS ON ITS OWN

CHARLES PERCY. In 1946, after the war was over, we decided to go into the still camera business, and then we tooled and produced this particular camera, and when we priced it out, the price was several hundred dollars higher than the German cameras against which we were competing, and though we did try to reduce the price, we were not able to bring it down low enough. I suppose the thought occurred to everyone, well, it's unfair. We can't compete. We'd better go to Washington and have the Government bail us out. We decided not to do that. I think the tendency of businessmen, sometimes, to try and say the Government should get out of business, and then on something like this, run to Washington to ask for help, I don't think is wise. We decided if we had made a mistake, we would rectify it. We had a million and a quarter dollar loss on this camera some 10 years ago when we closed it out. We decided after that, that we would enter markets where we knew we could compete much more successfully, and in the end, offer the kind of a value to the customer in Bell & Howell products that will justify their purchase and not ask for, certainly, any kind of governmental protection to keep us in the business that we couldn't economically stay in.

Mr. SCHOENBRUN. Mr. Percy, although you lost about a million and a quarter dollars on that, you still favor the Trade Extension Act and more and more free trade between our country, the Common Market and even Japan?

Mr. PERCY. Yes; I think it's essential that this Nation trade with the free world. I think that a standard of living depends upon it, because a standard of living depends upon the wages people receive, but also the price they pay for the products, and the American consumer should have the privilege of buying a product any place that it's made in the free world, so long as the product can be made available to him.

Mr. SCHOENBRUN. Mr. Percy, you just came back from Japan. We've heard lots of complaints from American manufacturers that the Japanese pay 28–33 cents an hour, and it's unfair competition. What are your views on that?

Mr. PERCY. Well, it is tough competition, on occasion, but I think that as an industrialist, I would have to say that the cost—the hourly cost of labor is only one factor of cost. We had a dramatic illustration of that ourselves. Before the war, we produced this camera, which is the lowest priced camera we made for about * * * and sold it for about $50, and our average cost of labor before World War II was 40 cents an hour, and we thought after the war, when our labor cost was much higher, we'd never again be able to produce a $50 camera, and yet we set the engineering division—our research department to the task of producing a camera for less than $50. This is a "Sundial" camera, far superior to this camera, with a meter which this one doesn't have, and sells today, when our labor cost is 500 percent greater, sells for 20 percent less, less than $40. In principle, this is the same thing that the icemaker had to do years ago when the refrigerator came in. It's the same thing that the buggywhip maker had to do when the automobile came in. It's the same problem that the maker of towels, or of handkerchiefs has when Kleenex or paper towels come into vogue. If the customer wants that product, then the manufacturer has a problem. And I would say that on the whole, science and technology has had a far more profound effect upon the changes and shifts and adjustments that business must make in the national and consumer interest than their effect of imports which I think have been somewhat exaggerated.

WIDE SUPPORT OF TRADE BILL

Mr. SCHOENBRUN. The Capitol dome has looked over many strange sights, but none more unusual than the sight of men from the U.S. Chamber of Commerce and the AFL–CIO walking together to testify in favor of trade expansion. One of the most articulate and diligent advocates of this Democratic bill has been the Republican, former Secretary of State Christian Herter, who is at one and the same time an advocate and a critic of H.R. 9900.

ESCAPE IMPOSSIBLE

Mr. HERTER. I have always felt, very strongly, that the greater the movement of trade in the world, the better for every one. That means removing the barriers to trade. This has been the policy of the Eisenshower Administration from beginning to end. When you say I testified against, I testified only against a part of the bill, which to my mind, might well vitiate the effectiveness of the bill, and that is the escape clause, which permitted the President, on the recommendation of the Tariff Commission, to increase certain tariffs on industries that he thought, or parts of industries that he thought were being injured. That is being retained in the present bill, and in my opinion, it will be almost impossible, if not impossible, to reach agreement with the Common Market countries, with an understanding that we have an escape at any time from what, in effect, would be a fixed commitment on tariffs. That, to my mind, would be unworkable in negotiations, and unworkable in practice, and very unfair to industry, because industry, itself, is going to have to make adjustments, and if they never know whether the rules of the game are going to be changed overnight, the adjustment process is difficult, and to my mind, it complicates any possibility of reaching an effective partnership with Europe.

Mr. SCHOENBRUN. Well, as a conservative Republican, you seem to be far more liberal than the President, himself, in this tariff question?

Mr. HERTER. In this respect, yes. In this respect, I feel that if you make a bargain, we are going to have to stick by the same rules that the Common Market is going by. Once you have made a decision, it sticks.

COOPERATION WITHIN THE FREE WORLD

Mr. SCHOENBRUN. If Christian Herter is the Republican expert on the trade bill, then former President Eisenhower is the senior statesman of the party, indeed of the Nation, on this issue, with which he has been deeply concerned since he organized the defenses of the West a decade ago. In his study at Gettysburg, he spoke to us about the Common Market and its architect, Jean Monnet.

Mr. EISENHOWER. One of the men in Europe that's done the most to bring this about, because he's never let up for a second, has been Jean Monnet. As you know, he was on one of your shows recently, and he is really the father of economic union in the "inner six." Jean Monnet's contribution to peace through this path that he's followed so tortuously and so vigorously will be recognized some day. As a matter of fact, I'd like to see them give him the Nobel Peace Prize, because he's just the kind of man that deserves it.

Mr. SCHOENBRUN. Mr. President, we found a certain confusion about this whole area of economic union, Atlantic union, that there'd be some kind of one government for the Atlantic world?

Mr. EISENHOWER. Well, of course, we, in our present situation, must recognize the establishment of the Common Market, as a challenge to our ability to export, to have a prosperous economy both at home and a profitable trade abroad, thus making the economy of the free world stronger, and making it impossible for the communist ambition to weaken us, economically, and destroy us piecemeal. It cannot be realized. Therefore, as we examine into the questions of our relationships with the Common Market of Europe, as now established, and make our plans for it, we're not talking about a United States of the world, or the Northern Hemisphere, or of the Pacific and the Atlantic whatever. We're talking now about getting the economic coordination and agreements, and you might say, the removal of every kind of impediment to freer and better and more profitable trade. That's what we're trying to do. We must do it with the certainty that one day we must bring Western Europe, the North American Continent and Japan, very important, get those three so operating that we are the leaders, productive leaders of the free world that can supply the needs of the rest of the world in goods, manufactured goods, in reaching some industrialization of their own, and to raise their standards of living everywhere.

Mr. SCHOENBRUN. Sir, you've laid particular stress upon Japan as well as the European Common Market. Could you explain that?

[Japan's contribution]

Mr. EISENHOWER. Well, Japan is—comprises something like a hundred million people on a very small area. I believe that their arable area is about something like two-thirds that of California. Now, here's a people who must trade for existence. They must get in raw products, manufacture them well, and sell them at a profit, and that's the only way they can live. If we do not make is possible for Japan to do this in great areas in which they can make a living, there's only one place for Japan to go, and that is to be tied up to the Communist areas of Eurasia. If that happens, then all of that productive power and their genius, because they are a very energetic and very adaptable people—all of their power, economic power will swing over to the other side, and now we would be left with almost an insoluble problem, because the balance would be very badly disturbed, so we must have Japan as one of the partners in this proposition, because they cannot completely live by exports to Formosa, Philippines and the Southwest Pacific, and even into India. They have got to have world trade, just like we do.

LONG-TERM WISDOM VERSUS SHORT-TERM HODGE-PODGE

Mr. SCHOENBRUN. Sir, during your term of office, I imagine that you had many problems connected with this trade question?

Mr. EISENHOWER. Well, the problems, as they came to me, dealt only with the tariff, and indeed, more often than not, with very small examples of need for tariff because of the size of the industry. The first one I can recall involved briar pipes, and they wanted an increased tariff, and by the way, I might give you a little sidelight on that. I was visited by a manufacturer of briar pipes, apparently one of the important ones. I've forgotten his name—and he said to me—he said: "You know, we really don't need this additional protection and for this reason." He said: "We've forgotten during the war years that we had any competition. There was none. We were the only ones that were making them, and so we lost all our ideas of salesmanship, of production, of economies, of efficiency." And he said: "Now, we just want to go along with these inefficient methods." And he said: "You were absolutely right in refusing to do it." And this was a manufacturer of briar pipes that told me. It was very heartwarming. But then there were such things as spring clothespins, which involved a very small industry up in New England, but important to those towns where the industry went on. Then there were bicycles. English bicycles were just worrying us to death over here, because they were making a very good one, a very lightweight one that our kids all loved, you know. Another was Swiss watches. Another was tung oil and tung nuts, and another was almonds in the southern California area. All of these things were small industries, but each one thought they ought to have special protection. Actually, that is from a national viewpoint, we can't afford that kind of action. We've got to find the things we do best; we must do those. We must put our emphasis on them and sell them to the world. We've got to make provision for others selling to us, or we never can sell to them.

Mr. SCHOENBRUN. Let me ask you this, Mr. President. In talks over the past weeks, in Washington, with many Members of Congress, and all, to find out how they feel about this, I have heard quite a number of them say, "Well"—the Republicans, that is—"President Eisenhower is still our spiritual leader, leader of the party for us, and we look to him for advice and for guidance." What advice and guidance do you give the Republican Party and your fellow citizens as they face this decision of economic partnership with Europe?

Mr. EISENHOWER. Well, when we get centered on our own prosperity, our own hopes of a little better price for our bicycles, or something else, we forget to think, to remember that the other fellow has the same kind of aspiration and need, even, and possibly the

need in those other areas are much greater than in ours. So I tell my Republican friends they must not listen and obey every single demand made upon them for increasing that tariff, or refusing to lower this one, and so on, because if they do, we will have just a hodge-podge, because they're not looking at this thing from the standpoint of the Nation's best interest. That is what we must do, and we don't want short-term, just selfish interest for the fast buck, as they call it. We want long-term wisdom applied to this problem. This is going to be hardship. There's going to have to be a retraining. I think the unions and the businessmen themselves must do most of it. We just have to be more intelligent and more understanding, not only of this human problem of the particular individual at home. but of the national need to buy as well as sell.

Mr. SCHOENBRUN. This report began in a glass factory in the Ohio Valley. It ends here at the White House, with the President of the United States.

COMMON MARKET POTENTIAL

Many people seem confused, Mr. President, when we mention the Common Market. They seem to think you want to join the Common Market. What is your objective?

Mr. KENNEDY. Well, the Common Market, of course, is going to be the unity, ultimately, of the great productive countries of Europe, and this can have the most far-reaching beneficial consequences to us, because the strengthening of Europe has been a basic policy of the United States since the end of the Second World War. They form the greatest growing market, in a sense, in the world. They have very few refrigerators compared to us, very few cars, very few television sets. They're going to be a tremendous market. Now, what we have to do is to have the tools to negotiate with that market, so that our goods can get behind their tariff wall. When Franklin Roosevelt first put in the reciprocal trade, and it was passed in President Truman's administration and other times—President Eisenhower's—we dealt with a number of different countries, individually. Now, we deal with one great trading unit, which may be larger than the United States, and which is growing faster than the United States, and can be the most extraordinary source of strength to us, and what I'm concerned about is, that we might get locked out of that market, and then what will happen is, that American industrialists, instead of investing here and selling their goods in Europe, will say, "Let's build a plant in France, or Italy, or Germany," and we'll lose the capital, the gold and the jobs. Now, will we be over that and through that wall or not—that's the question. Now, this may seem like a rather academic or economic arugment, but look at agriculture. We sell to Europe about $1,900 million worth of our agricultural commodities. We only bring in $200 million. About 25 percent of all the things we grow in this country get shipped abroad. Now, if we can't get into that market, every farmer in the United States, cotton, tobacco, peanuts, wheat, grain, everything will suffer, and if we can't get into the market with our automobiles, we can't get in with machine tools and all the rest, we'll lost a tremendous market, which is very essential. Then, we will lack the dollars to pay to keep our defense commitments in Europe and around the world. What people don't realize is, that the United States has had a great balance of trade. In the last 12 years we're probably the only country in the world that has sold more than we've bought, every year except one. We can compete. We're selling to Western Europe, today, twice as much as we buy from them, so we can compete with them. Their wages are going up now fast, and we've got all these resources, and I think we can go in there and meet them as we have in the past, head on, but if we have to pay a tariff, in addition, those jobs are going to Europe.

KENNEDY CITES PROTECTIVE CLAUSES

Mr. SCHOENBRUN. Mr. President, what about your fellow citizen who's going to get hurt, even if it is good for the Nation? What do you say to him?

Mr. KENNEDY. This legislation provides, I think, greater protection for our employment than we've ever had in the past. We continue the peril point and the escape clause. We are talking in regard to the Common Market only about those goods where we and the Common Market produce 80 percent of the world's supply, and they are goods where we are selling on the average, twice as much to Europe, as we are buying from them. In those areas, and this has happened for many years since we began, where people have been affected by imports, but for the first time in this legislation, we provide assistance to companies to modernize as I've said. We provide retraining. We provide unemployment compensation if anyone is adversely affected. Today, the company may just go broke and the people out of work. What will come of this will be increased employment by those industries, as a matter of fact, which pay the best wages. And I think what is perhaps most important is, it is a non-partisan piece of legislation. It belongs to the Republicans as much as the Democrat. Mr. Herter, the former Secretary of State, was a leader in this present effort. General Eisenhower has fought for it, so that I believe we have a good chance.

PRESIDENTIAL POWER

Mr. SCHOENBRUN. Well, sir, you know that some of your critics are saying that there's an attempt to bring too much power to this desk—that you will decide just by yourself, without any check at all, on how we trade and what businesses can be kept in and put out of business. What could you answer to that?

Mr. KENNEDY. Well, we have not asked for more power than we need, and to be honest with you, it is not a power, particularly, that is especially welcomed, but how else are we going to carry on a negotiation with this great market unless someone goes, and speaking for the United States, says: "Here's what we're prepared to do. What are you prepared to do?" And the fact is, that if we fail—if we don't get the legislation, or if we get the legislation in a form where we're hamstrung, we'll be shut out of this market. We're either in at the beginning, or we're never going to get in, and I think that—that's why I regard this as the most important piece of legislation before the country this year.

POLITICAL NECESSITY AS WELL AS ECONOMIC

Mr. SCHOENBRUN. Mr. President, when you said "Here's what I'm prepared to do. What are you prepared to do?" I assume you're talking about much more than tariffs?

Mr. KENNEDY. We talk about the economic, but there's also the political. At a time when Russia and China are dividing, and the Communist world, Albania, the Soviet Union are having great difficulties, here is this tremendous rise in power of Western Europe, and Western Europe and the United States will be the greatest productive power the world's ever seen. We cannot permit ourselves to be separated from them, and have all of the effort we've made for so long to have this powerful, free Europe, move away from us, rather than with us, and in addition, all this affects Latin America a great deal. Latin America depends on the western European markets. If they're shut out of the Common Market because of this tariff wall; if we're not in a position to assist them in coming in too, you'll have governments going bankrupt right and left. So it involves our national security as well as our economic well-being.

EUROPE'S FAIR SHARE

Mr. SCHOENBRUN. Sir, is it your purpose and your hope that over and above trade and business, that the Europeans who are now prospering, largely thanks to our help, will help carry a part of the share of helping the developing nations?

Mr. KENNEDY. Now, we've been carrying this load a very long time, and I don't suggest that we should lay it down, but I do suggest that there are others who have now become prosperous, whose gold balances have been built up—I'd like to see them bear the burden. This is not a private struggle. This is a struggle for the freedom of the world, and if they're not ready to bear their share, the United States can't do it alone. We're 6 percent of the world's population. You know, we have six divisions stationed in Western Europe to defend it?

Mr. SCHOENBRUN. Yes.

Mr. KENNEDY. Western Europe's a large area. It's as large as the Soviet Union, but there hasn't been an effort made by most of the countries there in their own defense, comparable to what we've made, and yet we carry obligations in Latin America, Africa, and Asia. Now, the time is coming when the Western Europeans have to decide, are they going to join in a large way in this effort, because the United States cannot continue to carry it alone, and the United States helped build them up, and now we're asking them to join us in this effort, and not expect that this country, however rich it may be, but it is after all, only a portion of the world, that we're going to be able to go alone on it. We can't do it. They're going to have to join us, and if they don't, all will be the losers. But that's another reason why we have to remain in the closest concert with them. What I want to say in closing is, this is a matter that we should be optimistic about. Western Europe went through this whole question of its tariff arrangements as we now are, a few years ago, and the result has been that in the six countries of the Common Market, today, they are searching for people, in order to find people to work. In those six countries, there is no unemployment, as I've said. There's a steady buildup of their gold. There's a steady increase in their industrial power, and we can participate in that effort to our own well-being. We will find hundreds and thousands more jobs out of this effort than we have dreamed, and I, therefore, am most grateful for the effort which has been made by the men and women in both of our political parties to try to keep this issue in front of the country as a matter of the highest national priority.

Mr. SCHOENBRUN. Thank you, Mr. President.

The President speaks with the knowledge that all his living predecessors favor the goal of trade expansion, but he also knows that other forces are at work, invisible and inaudible to the public, but nonetheless active in the corridors and cloakrooms of Congress, lobbying for special amendments to protect certain farm produce, textile, and other interests. This is how the battle of the barriers is being fought, by amendment, rather than open opposition. The President and Mr. Herter have both said that the Government must not be hamstrung in negotiating trade agreements. The President has also told certain allies that he will veto his own bill if crippling amendments destroy its purpose. This is the real issue today as H.R. 9900 moves out of committee en route to the floor of the House for open debate, a debate the President has called "the most important legislation of this year."

Mr. POFF. Mr. Chairman, in many ways, this bill is better than the bill the

President originally recommended. In some ways, it is better that the Reciprocal Trade Agreements Act, because it does retain a form of congressional veto over the powers granted to the President and continuing congressional oversight of the administration of the trade program.

However, I am unhappy with several provisions in the bill, and I regret that the gag rule governing debate permits no opportunity for selective and definitive amendments.

Because I want to register a protest against the gag rule and these defects in the bill, and because the rollcall on the motion to recommit is the only opportunity I will have to do so, I will vote for the motion to recommit.

Nevertheless, because it is imperative that America equip herself to meet the competitive challenge of the European Common Market and the threat of Russian economic aggression and subversion, because America must have some flexible mechanism to check the outflow of gold, correct the unfavorable balance of international payments and discourage the transfer of American factories to foreign countries, because I have become convinced during the course of this debate that, in balance, the total good in this bill outweighs the total bad, I shall vote for this bill, with the hope and reasonable expectation that when it reaches the Senate, many if not all of its defects can be remedied.

Mr. EVINS. Mr. Chairman, trade is a two-way street. In order to sell our manufactured products and the abundance of the farm products we produce in this country, we must also buy some products of other nations. We must permit—and foster—trade between our allies and friendly countries. Today our total exports exceed the Nation's imports. We must continue to sell and to export the abundance of our products.

Twenty-eight years ago a great Tennessean, the illustrious Cordell Hull while serving as Secretary of State, authored and helped steer through Congress the Reciprocal Trade Agreements Act. This program—which was a new experiment in international relationships at this time—has been extended 11 times and has served well our country and the free world for more than two decades. This reciprocal trade program has brought tremendous growth to our international trade program and has promoted commerce as well as better understanding among nations.

As we all know the negotiating authority under the last extension of the Reciprocal Trade Act expires on June 30, 1962, and this Congress must act to extend this authority. Failure to do so would be disastrous.

This new and expanded trade program, based on Cordell Hull's ideas, is needed to meet the challenges and opportunities of a rapidly changing world economy. The United States, at one time the world's major market place, must contend in the future with the European Common Market—which is uniting for trade purposes of several European countries where there will be no tariff of any kind between these countries. The European Common Market will provide a market initially estimated to be approximately the size of the United States. The population of the European Economic Community will be approximately half again as big as our own.

Today, some 30 percent of our exports—more than $4 billion in industrial goods and materials and nearly $2 billion in agricultural products—more than $6 billion annually—goes to the members and prospective members of the European Economic Community. The loss of this amount of exports for our country would indeed be disastrous.

The authorizing of a sound trade policy will permit our country to participate and to sell to those European markets, thereby benefiting our country and our people.

Mr. Chairman, this bill has two major titles.

The first title sets a 5-year authority to negotiate trade agreements and to proclaim modifications in customs duties and other important restrictions.

The second title provides assistance, either through direct adjustment aids or by instituting import restrictions to industries, firms, or groups of employees who might suffer economic dislocation as a result of tariff adjustments.

Besides these titles, specific and definite safeguards are written into the bill. My esteemed colleague, the gentleman from Tennessee [Mr. BAKER], a distinguished member of the Committee on Ways and Means, has ably explained and set forth the numerous safeguards written into the bill to protect American industry and American workers.

These include, in summary, provisions for foreign import restrictions; peril point safety provisions; most-favored-nations clauses, barring shipments to Communist countries; establishment of an interagency trade policy committee designed to protect and safeguard American industries; Tariff Commission hearings on marginal or disputed cases with provisions for Congress to adopt a resolution by simple majority vote, precluding the President from putting into effect proposed agreements with respect to specific products or specific industries—these among other safeguards are included.

H.R. 11910 which we are now considering authorizes the Tariff Commission to recommend a range within which an article or articles may be negotiated without serious economic effect on the industry producing like or directly competitive articles. Under this bill, it will be possible to determine the specific point below which traiffs should not be reduced and to effectively do something about it.

This new bill with the several safeguarding amendments and provisions adopted is a great improvement over the original bill, H.R. 9900. It will allow for a continuing expansion of trade while protecting our commerce and safeguarding American industry and American jobs.

The Tariff Commission is restored to a position of dignity and responsibility.

The new bill should contribute greatly to expanding our foreign trade and accomplishing the declared purposes of the bill.

The bill is necessary to keep our Nation growing and our economy expanding.

Under the bill, the American businessman, once the authority granted by the bill was exercised, would have a unique opportunity to compete with the rapidly expanding market abroad.

The American worker would benefit from the expansion of our exports. One out of every three workers engaged in manufacturing is employed in an establishment that exports.

The American citizen should benefit most of all from an increase in foreign trade.

Mr. Chairman, in the spirit of that great statesman, Cordell Hull, who was the real pioneer of international trade, I urge the House to pass the Trade Expansion Act of 1962.

Mr. STRATTON. Mr. Chairman, I am supporting this legislation because I believe it gives the President much-needed emergency authority to push for increased sales of American agricultural and industrial products into the new Common Market area of Western Europe. If we were to allow the higher tariffs of this Common Market to squeeze out American products from Europe, then our economy could find itself in real trouble in the years ahead.

Of course, Mr. Chairman, I have always insisted that our American foreign trade be carried on only under a solemn obligation to protect the jobs of men and women in industries adversely affected by foreign imports.

In this connection the present bill is certainly a great improvement over existing law, which has offered American workers very little real help or protection. The bill now before the House recognizes much more clearly the Government's obligation to assist these workers and the communities in which they live in a positive and constructive, not just a negative way.

I might add, Mr. Chairman, that returns from a recent questionnaire into my upstate New York district support my position on this legislation by a very overwhelming majority.

Mr. O'BRIEN of New York. Mr. Chairman, this is one of the most important problems ever thrust before the Congress. Its implications are so serious and the consequences of a wrong decision so awesome that a partisan approach is unthinkable.

I believe leaders of both parties recognize this. Every Member of the House has been asked this question: "Do you consider yourself as a special pleader for the interests of your district or as a member of a national lawmaking body?"

The answer, obviously, is both.

We all know that there are times of great crisis or urgency when a Representative must, if necessary, stand aside from pressures of varying degree in his own district and vote for the general good of the Nation.

This is one of those times.

Spokesmen for some of the most conservative groups in our country have urged you and me to vote for this bill.

They recognize both the difficulties and virtues of this bold new move and they believe the good will far outweigh the bad.

No one can say that none of our people will be hurt as we move, perforce, to the international bargaining table. But, this hurt is nothing compared with the economic calamity which will strike us if we refuse our Government what it needs to bargain.

This is the simple question before us:

Are we willing, by negation or indifference, to save some jobs by risking the loss of thousands of jobs and raising the threat of a deep depression?

I am unwilling to take that risk.

We cannot, in this Nation, live on our own fat without, at the same time, devouring our vitals.

We must trade or perish on the economic vine.

I shall support this bill without qualification. I do so in the firm belief that it is for the good of my country. I do it, too, with the comforting knowledge that any other course would give supreme satisfaction to our enemies in the cold war, in which a principal weapon is trade.

Mr. ROUSH. Mr. Chairman, I join with those who are willing to meet the great economic challenge of our day and generation by the passage of the Trade Extension Act of 1962.

There is no doubt in my mind but what this bill will have greater historical significance than any bill the Congress has considered for many years. In the continuing cold war struggle against international communism, the bulwark of freedom continues to be the relative economic prosperity of the western alliance and other free world countries. Besides being a political system, communism is an economic system and the leaders of the Communist world have threatened to "bury us" through economic warfare.

The entire Communist bloc has been steadily increasing its trade throughout the world with an eye to generating alliances and allegiances. As the leader of the free world, our country must counterattack with a trade offensive of our own and exports must be our weapon.

The Governor of Indiana, the Honorable Matthew Welsh recently emphasized this when he said, "We in America now have the economic as well as the political choice of riding the crest of the wave of history, or we can drift rudderless and be buffeted by the winds of change."

Today world trade is flourishing and America is enjoying the fruits of an aggressive trade policy. American exports are now $20 billion per year and the balance of trade is heavily in our favor. Foreign products have found their way to American markets and many have been well accepted. Imports of raw materials and necessary products foreign to our own economy total more than $9 billion. This includes materials such as rubber and manganese, tropical agriculture products, and other materials which are essential items not available in the United States. Another $5 to $6 billion in goods—about 1 percent of our gross national product—enters the market in the form of finished merchandise offering varying degrees of competition with domestic production.

The net balance of trade is about $5 billion in our favor. This very favorable balance, or profit of international sales to purchases, is vital to our national security. Were it not for this large, profitable trade, American international gold difficulties would be desperate and the result would be a blow to our monetary system and national security.

There can be no question that the history of our international trade policies over past decades has been one of outstanding success. This being the case, why should we change? The problem is simply that the world in which we trade is changing, and the policies which were adequate for yesterday will not work in tomorrow's world market.

The most dramatic example of the change is the emergence of the European Economic Community—the Common Market. Six of our most valued trading customers, desperately crippled after World War II, overcame the centuries-old hatreds of the European nations to form a trading community patterned after the United States. The states of Europe will become as one, reducing internal tariffs to zero. For the first time goods and people will cross the international boundaries of Europe with the same freedom we experience in traveling from Indiana to Ohio.

Other nations are seeking entry into the market. Presumably, within a 5- to 10-year period, all of the states of Europe will have joined. We are determined to meet this challenge. For us to fail or for us to adopt a "wait and see" attitude would not be in keeping with our tradition of leadership in the economic world. A failure on our part to recognize the need of a new trade policy to meet the challenge which the changing world presents will not only deprive us of the opportunity to expand our export trade but might very well jeopardize the favorable balance of trade we now enjoy.

This is of real concern to the people of Indiana. We export our share of the total U.S. exports. We share the needs of the Nation for new markets. Our farmers could produce more if markets were developed. Our manufacturers are not operating at full capacity and could produce more if markets were available. As a representative of about 460,000 Indiana citizens, I feel that my constituents are demanding that we find these new markets, that we provide jobs for our unemployed, that we take advantage of every opportunity to expand our industrial and agricultural output.

In this legislation, I see the opportunity to do these things. Those of my colleagues who are resisting this move are closing their eyes to opportunity and are satisfied with the status quo. This complacent attitude is not only depriving Indiana business and agriculture of its chance to expand and grow, but is endangering the present prosperity that exists in our State.

The Department of Commerce has made a study of the State of Indiana and has determined the extent of our exports and we find that foreign trade has a direct impact on every community of Indiana, its economy, its industries, its workers, its farmers—the life and livelihood of all of its people.

Exports of manufactured goods from Indiana amounted to $483.6 million in 1960. The Fifth District alone exported manufactured goods valued at $32.1 million during 1960. Three hundred and twelve Indiana establishments exported goods valued at $25,000 or more in that year. Forty-seven of these were from my district; 310,259 Indiana workers were employed in these establishments and of this number 50,281 were from the Fifth District.

Indiana is, of course, an agricultural State. Our farmers could produce more and, if through this legislation new markets could be developed, what a boost this would be to the economy of our State. The export trade which this bill would protect is of grave importance. The Department of Commerce has also given us figures and facts which emphasize the importance of exports to our agricultural community in Indiana.

The United States exported a total of $4.9 billion in agricultural products in the 1960 to 1961 crop year. Indiana's share of this was $149.3 million. The Fifth District farmers have a direct stake in exports of some of these agricultural comodities. My district's equivalent share in the 1960 to 1961 national agricultural export total was $15.5 million for field crops, $2.7 million for livestock and livestock products, $292,000 for vegetables and $64,000 for fruit and nuts. Our leading export commodities among by Fifth District's field crops were soybeans, wheat, and corn. As a whole, the equivalent share of agricultural exports from Indiana's Fifth District is over two times as large as the equivalent share of competing exports.

Mr. Chairman, I again refer to a statement by Matthew Welsh, Governor of Indiana. He said:

> We stand on the threshold of a new trading world, one with which the prosperity and growth of Indiana and the Nation are intimately connected. We can choose to step confidently over this threshold as the economic leader of the world. Or we can hold back fearful that we cannot measure up to tomorrow and its problems.
>
> We in Indiana know our business. Hoosiers are among the world's best farmers, most skilled industrial workers, and masters of production and marketing. We are tight-fisted bargainers and traders and we know our way through the financial markets of the world. We know we can do better than hold our own.
>
> President Kennedy has pointed the way for America to compete successfully in this new trading world we face, a way we can compete equitably and fairly, without our path blocked by artificial barriers raised against us. Personally, and as Governor of Indiana, I strongly and enthusiastically endorse the President's program for expanding world trade.

Mr. Chairman, and colleagues, I consider the Trade Agreements Act now being considered a very important piece of legislation. It is vital to my district and my State. It is important and necessary to the continued prosperity of our

Nation and to the continued economic death struggle with communism.

Mr. MOOREHEAD of Ohio. Mr. Chairman, we have before us legislation which all of us agree, regardless of our views on its merits, is the most far-reaching that Congress has considered for many years. Even so, we find ourselves debating the bill in the straitjacket of a closed rule. We are a legislative body which will not, in fact, legislate other than to vote "yes" or "no" when the time for debate has run its course. The decision is a fateful one—too fateful, in my opinion, to confine our consideration of a measure of this magnitude under a closed rule.

I represent here an area which has suffered the consequences of the past trade policies this Nation has followed In my opinion, these policies have proved unwise and costly in both economic and human terms. I question now if we are not providing the means to extend the same problem southeastern Ohio has known so long, to the rest of the country.

Lately, the President and many of his advisers have lectured the American people that they must admit that they are economically illiterate and, by inference, incompetent to decide where their interest lies. We have been told that many of the concepts that seem basic to us are myths and cliches which ignore the facts of life. I regret that, I believe, the same charges are valid against the terms of this bill.

I have sought for the justification of the claims made in behalf of this legislation. But I cannot find the basis for the rosy confidence of the proponents of it. The efforts to propagandize the American people have been fantastic. For months, the drums have been beating in preparation for our debate today. Regardless of the outcome, the propaganda has surely obscured the issue and has distorted the serious questions that affect this Nation's industries, its workers, and our relations with the free world.

We are told that a "selfish protectionist" attitude on the part of the United States will be our undoing. We are told that we must "trade or fade" and that the best assurance for trade lies in placing in the hands of the President, immense power to decide what products from what countries should be given competitive advantage in our domestic markets and, in negotiations with other nations, what American products can hope to find markets abroad. Congress would abdicate its constitutional responsibility and give the President a license to reshape our economy under circumstances that are being made to seem benign even though they do smack of totalitarianism. This is the same retread formula we have been hearing since this administration took office. If we ask what we can do for our country, the answer is monotonously the same—arm the President with greater and greater power, trust his judgment, and all will be well. I do not subscribe to this thinking and I would resist it regardless of which political party espoused it. This is a principle that must not be brushed aside with a shrug of the shoulders on this or any other legislation.

We are told that if the President is afforded the power he would be granted in this bill, he could use it to insure flourishing trade with the nations of the Common Market in Europe. This kind of reasoning is baffling. The Common Market is an essentially protectionist device to protect the internal markets of Western Europe from outside invasion. Since we have already cut tariffs on the average of 80 percent, our negotiating position seems small indeed across the board. A tariff wall is being erected around the Common Market and the price of admission is high, as Britain is learning at this moment. If she, in effect, imposes tariffs against her former colonies—now nations of the British Commonwealth—she can become a member of the Common Market. It is reported that there is no intention that the United States join the Common Market. If we accept that, a very large question remains. What is the price for the kind of coming and going through the gate in the wall that our policymakers have in mind? Apparently, it is the orderly destruction of industries and jobs in this country.

For the first time, the fiction that our trade negotiations will not be permitted to destroy domestic industries is dropped in this bill. Frankly, I am glad that the pretense is being dispensed with. It must have been hard to throw out the soothing sirup when this legislation was being written. American industries have been destroyed steadily for years by our tariff negotiators. A double standard of economic morality has been observed in the White House. There has been little regard for the findings of the Tariff Commission that injury was being done to a particular industry as a result of import competition. The proof of injury has been unimportant if the industry affected was relatively small. The law does not provide discrimination of this kind, but it has been practiced by the White House and it has been widely sanctioned. There has been too much resignation toward this kind of treatment and we need to face up to what is being done instead of plunging on along this road.

Let us look at one specific instance of the exercise of Presidential power in the case of ceramic mosaic tile. I mention this because it is relevant to the consideration of this legislation. For years, the ceramic mosaic tile industry in this country has been struggling to obtain recognition of the import competition problem it is facing. It finally carried its case to the Tariff Commission.

The Commission's investigation began on November 10, 1960 and it was completed in May 1961. Volumes of evidence were obtained and considered carefully by the Commission. It concluded that ceramic mosaic tile is "being imported into the United States in such increased quantities as to cause serious injury to the domestic industry * * *." In order to remedy this serious injury, the Commission found it is necessary that tariffs be increased to the levels of the early 1930's. The Commission's findings of fact and the recommended corrective action were unanimous. The case for the industry was regarded as one of the most compelling recommendations to be issued by the Commission in many years.

The recommendations were sent to the President. The White House requested additional information. Many months ensued. Several months ago, the President rejected the Commission's recommendations for reasons that are ambiguous and wholly unsatisfactory. He stated that the "significant increases in imports did not occur until many years after the duty concessions were granted." This so-called reason seems to me to be wholly beside the point. Our tariff reductions have, in effect, encouraged the expansion of foreign production to capture a greater and greater share of the American market. This is a demonstrable fact and the only consideration that is relevant as I read the present law.

The second reason cited by the President was that "domestic production has not declined appreciably." The Tariff Commission's report found that the production in 1960 was "about the same as in 1955 and 1957" although the production capacity of our plants has increased. It also found that the "ratio of imports to domestic production rose rapidly from 7 percent in 1954 to 62 percent in 1959, and to 80 percent in 1960." The Commission showed that between 1955 and 1960 imports of tile increased 455 percent.

Over the same period—

The Commission stated—

the quantities both produced and sold by domestic producers declined.

The President then decided that the level of employment in the mosaic ceramic tile industry has remained relatively constant. Still, the Commission's report found that the total man-hours of production and related workers engaged in the manufacture of ceramic mosaic tile at U.S. plants were lower in 1960 than in any of the 5 preceding years. This was occurring at the same time that tile consumption in the United States almost doubled.

The last reason cited by the President was that Japan "has recently established voluntary quotas on exports" on ceramic tile. As I understand this so-called "voluntary" agreement, Japanese industry agrees to increase its export of tile to the United States only slightly. No real reduction of shipments is contemplated. At best, the agreement is a moratorium on the increasing of tile exports to this country.

The decision was an incredible blow to the ceramic mosaic tile industry and the families and communities that depend upon it. In case any illustration is needed, it demonstrates again that the President possesses immense powers now which enable him to reject even the strongest evidence. Certainly, his decision in this case could not have been based upon any regard for the facts as determined by the Tariff Commission. How he developed his own body of evidence is a mystery. His lieutenants have not, so far as is known, made an independent investigation. Nor was the President, in my opinion, guided by the

intent of the Congress when it established the escape-clause provision in the present law. We can only conclude that a calculated decision was made in the White House that the U.S. ceramic mosaic tile industry should be sacrificed.

It is said that the purpose of this trade bill is to encourage exports. I doubt that it will encourage as much as it promises. Nevertheless, what encouragement it gives is at the expense of our import-vulnerable industries. This is a final break with a policy to equalize the impact of trade between various segments of our economy without discrimination for one in favor of the other. The idea apparently is that exports will increase faster than imports. This premise is pure blue sky.

We have consistently failed to require other countries to meet past tariff reductions of the United States by comparable reductions in their own tariffs and restrictions. The President tells us that there is very little to offer in tariff negotiations. Unfortunately, that is all too true. Much of our bargaining position has been conceded already and I fail to see how the present legislation will do anything other than compound this problem.

Last March, additional negotiations in Geneva resulted in another round of lower tariffs. They will become effective in July. What effect they will have upon our economy is still to be demonstrated. The outflow of our gold reserve continues and the downward plunge of the stock market may seriously aggravate this flow if confidence abroad in the dollar is affected. Our monetary policies at home are also deeply involved in this entire question, with deficit financing weakening our economic structure.

It is my hope that this Congress will face its responsibilities and defeat this legislation. It can then seek to work in partnership with the White House to create a realistic and effective trade policy which places the tariff question in perspective with the economic problems at home and abroad that must be considered together if we are to deal with the issue meaningfully.

Mr. FASCELL. Mr. Chairman, for the first time in the history of our Western civilization, the major nations of Europe are undertaking a bold, daring program of economic cooperation. This program is designed to add energy, stability, strength and vigor to the economies of the nations involved, as individuals and as a group. The European Economic Community, or the European Common Market, is vital to our national security since it represents a powerful force in our economic offensive against the threat posed by the forces of international communism. It is obvious, from his recent threats and speeches, that Mr. Khrushchev views the formation of the Common Market with alarm. As he well should, for, combined with the vast productivity and selling power of the United States, this European economic alliance will help us to "bury" the false economic theories of the Communist philosophy by demonstrating their failure in any competition with the basic principles of free enterprise.

However, although the Common Market is and will be of great benefit to us, we must today prepare ourselves for the impact this alliance will have on our own economy. Unless we quickly take some positive form of action, vast markets for our goods within these European countries will be lost to us, or at the very least they will be restricted. We must protect those markets which our American manufacturers and producers now have; and we must also look to the preparation for future extensions of these markets as the European Common Market countries increase in their internal prosperity and therefore in their ability to purchase even more of our products than they do at the present time. We must also be prepared to work with this alliance in trade relationships with other nations, in an effort to stimulate other economies and thus create other markets.

To implement this program, a trade bill which allows our executive branch flexibility, within reasonable limits, to negotiate with our allies is necessary—and it is necessary now. For this reason, I cannot vote for recommittal of this bill, with instructions to amend it so that it merely extends the present law for 1 year, and a brief synopsis of the present law will demonstrate why. The last amendment to the present law, in 1958, provided a 4-year extension of this law with authority given to the President to reduce existing tariffs by 20 percent, with the advice of the Tariff Commission, of course. This 20 percent has been substantially used up. So to extend the present law for 1 year, would be to extend nothing. It would be, in fact, tantamount to not passing a trade bill at all.

That would mean that a full year would elapse before we could take any part in the vigorous economic campaign being waged on our European front in the cold war. That would mean that the Communists would have a year to regroup their economic forces for utilization in their imperialistic efforts.

At this time, we have a tremendous, definite economic advantage over the Soviet Union and its satellite nations. We must not lose this advantage through inaction and delay.

While I am not particularly in favor of the adjustment assistance for the firms and workers which has been incorporated into this measure, I cannot subscribe to such dilatory tactics as are embodied in a recommittal motion merely to express my dissatisfaction with this assistance in view of the urgency of taking positive action. I believe, along with many of my distinguished colleagues, that the matter of unemployment can better be handled under existing law—such as the Manpower Development and Training Act of 1962—without making a special group out of these unemployed. There have been many pertinent questions raised concerning these provisions. For instance, the legal dispute over alleged conflict with State law and the philosophical dispute over the much different treatment accorded other unemployed workers.

However, not having an opportunity to vote on this particular issue, I believe and hope that these differences can be resolved either in the other body or in conference. And since the principal purpose of the measure before us today is that of giving our Nation a necessary tool and weapon with which to cooperate with the European Economic Community in our offensive against the forces of international communism, and in so doing protect the markets of our American producers and establish a basis for future expansion of these markets, Mr. Chairman, I rise in support of this measure—H.R. 11970.

Mr. KEARNS. Mr. Chairman, as the ranking member of the Subcommittee on the Impact of Imports and Exports on Employment, which explored the whole international trade situation, I can see no gain for our country in accepting the President's recommendations as contained in the Trade Expansion Act of 1962.

Personally, I am fearful that it would cost us many industries and, goodness knows, many thousands of paydays. For these reasons, I shall vote for recommittal of this legislation and, if that fails, against passage.

Mr. COHELAN. Mr. Chairman, I rise in support of this farsighted, constructive, and urgently needed advance in the trade policies of our country.

It would be a grave mistake, I believe, for any of us to think that nothing would be lost by delaying for a year or more the enactment of this proposal, or that a mere continuation of the present Trade Agreements Act would be sufficient. It would be a grave mistake, I believe for at least two compelling reasons.

First, authority under the expiring act is virtually exhausted. This authority was limited in the first place, and in the recently concluded Geneva negotiations it was necessary to extend several peril points in order to take advantage of the 20-percent reduction in tariffs offered on certain industrial products. In short, the authority which would remain if the expiring act were simply extended would be inadequate even to begin to achieve the essential purposes for which this bill is designed, and for which it is needed.

Second, the trade problems and opportunities confronting us today will not wait. The European Economic Community is already proceeding with great speed to complete its goal of full economic union, and on July 1, duties on industrial goods traded within the Community will have been reduced by as much as 50 percent. In addition, important negotiations are underway regarding the accession of other countries to this Common Market.

In brief, Mr. Chairman, we are confronted with the prospects of a new European community; a community which would contain over 300 million people living and working in a free trade area larger than the internal market of the United States. It will be a free trade area, moreover, made up of some of the most advanced countries in the world, and a free trade area which will present a common tariff wall to all other

nations—ourselves included—who surround it.

I do not need to dwell upon the implications of such a development if we in the United States were not to make immediate and substantial changes in our own trade and tariff policies—changes such as are provided for in this bill. I believe we only need ask ourselves the question of whether we are willing to join in one great trading community of free nations, or whether we are prepared to go our own separate ways, fragmenting the non-Communist world.

The European Economic Community is dynamic, and if we appear reluctant to keep up with its active evolution, it could well pass us by. Fundamental decisions are now being made—decisions concerning the future economic policy of the Community—and these decisions will set patterns for the future which will not be easily reversed. If action on this bill were to be withheld, or if the present act were to be extended in its present form, American industry would be compelled to find other means to circumvent the barrier of the common external tariff, and such action would undoubtedly involve the transfer to Europe of plant and equipment which would otherwise be developed here at home. A loss in domestic employment opportunities could be expected, American farmers would risk losing market opportunities, and our balance of payments would be further threatened.

Failure to act promptly on this "bold new instrument" would adversely affect our interests in the free world outside of the Common Market as well, for delay would only cause serious doubts regarding the future course of U.S. trade policy. At no time in our history, may I add, has it been more important for us to make unmistakenly clear our intentions to continue our longstanding leadership in working for the expansion of international commerce on a mutually advantageous basis. Our continued leadership demands, in fact, that we show through example that we are prepared to move ahead boldly and consistently.

The future of the vast underdeveloped and contested areas of the world are also at stake. We must give assurances—and such assurances are included in this bill—that we recognize and are willing to respond to the needs of these countries for increased export opportunities in the markets of the world's more advanced nations. If our actions do not support such assurances, we can be certain that the Communist bloc will not hesitate to extend trade offers; offers whose attractiveness will certainly not work to the best interests of this country, or of the free world.

Mr. Chairman, many of the opponents of this bill have stated that we cannot compete with foreign imports; that we have priced ourselves out of the world's markets. A look at the record, however, reveals that these charges are simply not true—that they are no more than myths.

If we consider our ability to compete abroad we see that the United States annually exports substantially more than it imports. In 1960, we enjoyed a favorable balance of trade with every industrialized nation of the free world, and the factors which made this possible—greater investment capital, greater technical and managerial skill, and greater output per man-hour—will enable us to stay ahead with an expanded trade program.

Exports, and the jobs of more than 4 million American workers who depend on them, moreover, are not limited to a single State. Studies based on the most recent census survey indicate that they affect the economic well-being of workers and businesses in almost every community. In California, for example, more than $1,300 million worth of manufactured goods were exported in 1960, and more than 385,000 workers were directly employed in these operations.

There can be no question that some workers and some businesses—although they would be relatively few in number—would suffer damage from increased foreign import competition, and for this reason I support the important adjustment assistance provisions of this bill. Such provisions are justified by the "giant step" we are preparing to take. Such provisions are justified for the strength they would add to our society by helping firms and workers to increase their efficiency, either in their present lines, or by getting into new ones. Such provisions are justified, in brief, for they would bring these firms and these workers even more fully into the mainstream of productive American life; they would promote their individual well-being; and they would enhance our country's economic growth.

Mr. Chairman, in his State of the Union message, President Kennedy pointed out that the United States did not rise to greatness by waiting for others to lead. The President stated:

> This Nation is the world's foremost manufacturer, farmer, banker, consumer, and exporter. The Common Market is moving ahead at an economic growth rate twice ours. The Communist offensive is underway. The opportunity is ours—the initiative is up to us—and I believe that 1962 is the time.

To this I would only add that we dare not turn our backs on the logic of our own economic opposition; a position which for the last 30 years has led the world toward freer trade. To do so would set off a chain reaction of retaliation and counterretaliation that would do irreparable harm to our economy and the economy of the whole free world. We would diminish our role of leadership in the cause of freedom, and we would deny the very strength and vitality of the economic system for which we stand.

Mr. Chairman, I believe the time to act is ripe; I believe that the tools are available in this bill; and I urge that we approve it without delay.

Mr. WATTS. Mr. Chairman, I would like to review agriculture's role in our export economy. Its critical importance was stressed in the Ways and Means Committee report on H.R. 11970, which noted that, "it would be unfortunate, in the view of your committee, if our tremendous natural advantage as a food exporter were sacrificed because the United States was not equipped to bargain effective trade agreements." In line with this, I would like to call attention to section 212 of the legislation, which authorizes the President to reduce by more than 50 percent, tariffs on articles referred to in agricultural handbook No. 143, U.S. Department of Agriculture, whenever he determines that such an agreement will tend to assure the maintenance or expansion of U.S. exports of like articles.

Our commodity exports set value and volume records in fiscal 1960–61. A total of $4.9 billion worth of food and fiber was exported, or 24 percent of our total exports of $20.4 billion. Of this total, approximately 69 percent was sold for dollars, while the remainder moved either through commercial channels under specific Government programs, or was donated through private relief agencies.

These exports accounted for 61 million acres of harvested cropland, or 1 of every 6 cultivated acres. Half our cotton, wheat, rice and dried peas was shipped abroad—two-fifths of our soybeans and tallow and about a third of our tobacco, hops, flaxseed and nonfat dry milk was exported. Shipments of wheat, soybeans, hide and skins, poultry, meat and variety meats reached record highs during this period and cotton exports were the second highest in over 25 years. Feed grains and rice were also shipped at near record levels.

The Ways and Means Committee noted, with respect to agriculture, that "with greater access to foreign markets, and the countries of the EEC in particular, U.S. agricultural exports can be expected to grow. During the past 5 years our sales of farm products to the present EEC countries have increased 29 percent," and one-third of our total agriculture dollar exports—or approximately $1.1 billion worth—was shipped into the Common Market.

The Trade Expansion Act is an essential bargaining tool if we are to be able to continuously negotiate throughout the world for bigger as well as new markets for the remarkable output of our agricultural community.

U.S. AGRICULTURAL EXPORTS TO THE COMMON MARKET

The Common Market is our largest market for agricultural exports. In 1961 our exports of farm products to the six countries of the Common Market were $1.2 billion, about one-quarter of all U.S. agricultural exports to the world and one-third of all our exports to the Common Market. The role of the European Economic Community as a market for our farm products will become even more crucial after the United Kingdom joins the EEC.

The European farm picture is undergoing sharp changes. Many of these are not related to the formation of the EEC. European agriculture is only now experiencing the technological revolution and productivity increases which started earlier in the United States. Incomes are rising in Western Europe and consumption patterns are being altered. Europeans are eating more grains in the form of meat and relatively less in the form of bread.

Under the common agricultural policy, the six-member countries of the Common Market are trying to rationalize into a single system—covering price, marketing, and income support—the

separate and disparate systems which now exist.

In the tariff negotiations completed in March 1962, the United States obtained concessions covering about 70 percent of our agricultural exports to the EEC. These were on such products as raw cotton—our most important export in value terms—soybeans, tallow, lard, certain fruits and juices, and others.

For many key agricultural commodities, the transformation from six systems to a single agricultural system in the EEC is to be accompanied by a system of variable import levies. These will cover such key U.S. exports as wheat, feed grains, poultry, and rice. For these products, the United States must still negotiate with the EEC to define the precise terms of the U.S. access to the EEC market.

The variable levy system is still untried, and its ultimate effect uncertain. If accompanied by a high price structure for EEC producers, this would further stimulate European agricultural output and the new system could have detrimental effects on U.S. exports of these commodities.

The Trade Expansion Act would give U.S. negotiators an effective kit of bargaining tools to obtain the best possible package of agricultural and nonagricultural concessions possible, including those on variable levy items. In 1961, our agricultural exports to the EEC exceeded our agricultural imports from the EEC by 6 to 1. It is clear from this trade pattern that there could be no U.S.-EEC bargain which swapped only agricultural concessions.

I am convinced that the Trade Expansion Act can provide the necessary tools for the United States to make the best possible adjustment to the changing world agricultural scene. It can enable U.S. farm producers to benefit in the form of increased exports from increasing consumer incomes in the Common Market.

Mr. ICHORD of Missouri. Mr. Chairman, I rise with reluctance in opposition to H.R. 11970. I say "with reluctance" because basically I am a proponent of free trade. But free trade, Mr. Chairman, connotes free competition and free competition does not exist in world trade today. It ceased to exist when we decided at the conclusion of World War II to embark on our ill-conceived, ridiculously huge foreign-aid program that has cost the American taxpayer $106 billion and which from all indications is just the beginning, and I ask again, Mr. Chairman, can we adhere to a policy of free trade when we direct our American businessman to pay a higher wage than his foreign competitor, when we levy high excise and income taxes upon our businessman, when we exact tribute from our taxpayers to pay the cost of this "foreign-aid giveaway," when we directly or indirectly build for our friends abroad industrial plants even more modern than our own. Can we seriously think we can pursue these inane policies, Mr. Chairman, and at the same time expect to stay in competition with our foreign friends?

I cannot vote for this bill, Mr. Chairman, notwithstanding the fact that the committee has made considerable improvement. I seriously question the wisdom of delegating the power of Congress to regulate foreign commerce to the office of President of the United States. Although I have great faith in the administrative ability of President Kennedy, each of us realize that the office of President is the most burdensome office in the world. We know that no President can possibly give these matters and the many other equally important duties his personal attention. The decisions will naturally fall on certain civil servants within the Department of State. This matter, Mr. Chairman, deals with a serious international problem but it also deals with a serious domestic problem and although I do not question the sincerity of purpose of our civil servants in the State Department I do question the wisdom of permitting them to in effect make these decisions. Let us remember, Mr. Chairman, that one of the measures of value of the performance of the duties of an office of the Department of State is the economic status of our foreign friends. Under these circumstances,, Mr. Chairman, it is very easy to lose sight of the interest of the United States which should always be kept foremost in mind. And I ask, Mr. Chairman, why could not these duties have been delegated to the Tariff Commission, an arm of Congress?

These escape clause provisions impress me very little. Let me remind the members that not once, not twice, but three times did the tariff commission find the lead industry was being irreparably damaged and not once but twice did President Eisenhower refuse to act and when he did act, he acted too late and then not as recommended by the commission. The result today is that lead has dropped from 17 cents a pound to 9½ cents a pound, thousands of lead workers are unemployed, the industry is ruined and not only by the inaction of U.S. Government but as a result of acts of commission.

Others in this body may surrender to the "drugged effects" of these tranquilizing provisions that have been added to this bill, Mr. Chairman, but I shall never do so. I predict, Mr. Chairman, if this bill passes as it apparently is going to do, the Members of Congress will, in the not too distant future, rue the day this action was taken.

Mr. HOLIFIELD. Mr. Chairman, we face new economic problems, which demand a reevaluation of our trade and tariff policies. The development of the Common Market in Europe threatens our export trade and the challenge it poses threatens our leadership.

Because of our great economic and military strength, the United States has become the leader of the free world.

Since the end of World War II, under a bipartisan national policy decision, we have expended many billions of tax dollars to help rebuild the economic, political, and military strength of allied, neutral, and former enemy nations. These nations have survived and remained free. They have done more. Great Britain, West Germany, France, Japan, and smaller nations have expanded their industrial production far beyond pre-World War II levels. The European part of this great industrial productive capacity is now being melded into a trade and tariff alliance of tremendous potential economic power.

Initially the Common Market consisted of the so-called Inner Six nations on the European Continent. Then in a belated move for self-protection, Great Britain organized the Outer Seven. Now as you know, there are negotiations for melding the Inner Six and the Outer Seven into a greater Common Market grouping of nations. If this occurs during the next few years there will be a close trade and tariff arrangement among nations containing some 300 million producers and consumers.

This Common Market trade alliance will increase the economic strength of the participating countries individually and as a whole. The growing economic power of the Inner Six is shown by the rapid strides in output. Over the last year this area increased its gross national product by 6½ percent. Since 1950, its annual growth rate has averaged more than 5 percent compared with our bare 3 percent. In the industrial sector of production its annual rate of increase for the past 10 years has averaged 8 percent, compared with our slightly more than 3 percent.

This is a powerful economic challenge to the United States—make no mistake about it.

The prospects for the Common Market complex then are these:

First, through reducing or eliminating internal tariffs, it will accelerate the interchange of merchandise and labor resources. Therefore, it will become more self-sufficient and less dependent upon imports from the United States.

Second, unified and growing economic strength and industrial capacity will generate greater quantities of goods for export throughout the world.

On the first point, bear in mind that the 13 nations of the European Economic Community were customers last year for $5½ billion worth of American goods. This is an important segment of our total exports of $20.4 billion. It would be very damaging if we should find ourselves excluded by high tariff walls from this market.

On the second point, we must consider the impact of the Common Market on our export trade to other areas, which amounts to $15 billion, or three-fourths of our yearly total of exports. The Common Market nations will be strong competitors in exports because of their growing production capacity, and they will in turn offer the powerful inducement of potential markets among their 300 million people for goods of the other trading nations.

This is a problem which I believe is second only to that of avoiding a nuclear world war.

I could speak to you with great feeling and a wide background of information on the Soviet military challenge. As chairman of the House-Senate Joint Committee on Atomic Energy, my responsibilities are heavy in the field of

atomic energy development. The nuclear weapons we need for deterring war range from small tactical weapons to megaton bombs carried by our great SAC bombers, many of which are on constant airborne patrol. Our nuclear submarines armed with Polaris missiles are gliding silently and continuously under the surface of the great oceans, and our great intercontinental ballistic missiles stand guard for freedom.

But these are programs in being. These fantastic weapons and weapon systems are in professional, scientific, and military hands. They are under the direction of the President of the United States as Commander in Chief of our Armed Forces. There is little that we can do individually in this area of national survival—except to pay taxes.

But, if we turn our attention to the economic destiny of the United States—to those areas of business development and Federal legislation having to do with our stability as a nation—then there is something important and constructive which we can do.

If our Nation is to remain strong militarily, we must take every step necessary to maintain the strength of our economic system. We speak of the American way of life and we speak of competitive free enterprise. Are we mouthing generalities which are familiar enough to sound pleasant, but fuzzy enough to hide the crucial challenges of our times?

Our American way of life is changing. We have moved rapidly from farm to city: 74 percent of our people live in urban areas—10 million farmers produce more food and fiber than 60 million produced five decades ago. Our great industrial plants—steel, textiles, rubber, automobile—operate on a part-time basis. The workweek dwindled from 60 hours or more, when I was a young man, to 40 and even 25 for some. Our labor force grows at the rate of 1½ million per year.

We are employing more people but the percentage of permanently unemployed has risen to between 5 and 7 million. Automation takes its toll in industry after industry, and pools of technologically displaced workers grow in stagnant areas of our Nation. I know all the stock answers—but I also know the inadequacy of most of them and so do the unemployed, the displaced miners, automobile workers, railroad men and others.

Yes, we have problems which are not being solved. They invoke basic factors of change in our American way of life.

Our agricultural production outruns the domestic ability to consume. We use all kinds of controls and subsidies to keep it from collapsing, not under the blessing, but under the curse of abundance.

Our industrial plants running only part time, produce more steel, autos, refrigerators and soft goods including men's clothing than our domestic market can buy. If you look beneath the surface of general prosperity, you see these cracks in the foundation of our economy.

What can we do to keep those cracks in the economy from spreading? The basic need is a wider distribution and greater consumption of goods. If this can be accomplished our factories can operate more hours. They can utilize more employees which will help to reduce our stagnant reservoir of unemployed and add domestic consuming power.

But how do we get this wider distribution if our domestic market is saturated with goods?

It seems to me we must look to new markets for our goods from factories and fields. This means increased exports.

If the European Common Market threatens our present export market, as I believe it does, then we must meet that challenge promptly.

The President, backed by expert economic advisers from the financial and business world, has asked Congress for more flexible tariff adjustment powers—powers that will allow him to bargain with the Common Market tariff controllers so that we can continue to participate in that great 300 million population market. It will take congressional action to delegate to him this broad general power.

But far more is needed than our continued access to the European Common Market consumers.

We need to develop new markets in the underdeveloped areas of the world. Here lies the great challenge and the great opportunity for our part-time production capacity.

If we are to really turn our production capacity loose, if we are really going to utilize our skilled manpower and train our unskilled workers for the production job for which we are capable, then we must become masters of the machine and not the victims of technology.

So, I say to you today, the United States must meet the challenge of greater distribution. It must fight a more efficient competition in existing world markets to maintain our existing exports.

It must vigorously, courageously, and intelligently move into the great underdeveloped markets of the world where millions, yes hundreds of millions, yearn for the goods we know how to produce.

We must take the place as the leading international trading nation which Great Britain occupied for so many centuries. She can no longer play the part. She has handed the baton to us.

We will either ignobly fail this task or we will carry the baton to victory.

We can falter in our obligation to meet today's challenges to the American way of life as we have known it, and if we do fail, we will slip into the oblivion which is reserved for all nations or civilizations which grow old and tired and fail to cope with new problems in a new and dangerous age.

I do not believe we will fail. I believe that we have the intelligence to solve the problem of distribution—greater distribution to domestic and foreign consumers through utilizing unused or partly used manpower and machine power. Our Nation of free people has in a people of some 300 years built the greatest production capacity ever known in the history of the world. Starting with a wilderness to conquer and faith in freedom and the democratic way, we have eliminated the scarcity of food, shelter and goods which has plagued mankind for thousands of years—yes, which still plagues more than two-thirds of the human race.

It would be unthinkable for us to allow this magnificent system of production to choke on its own abundance, while two-thirds of the world starve for food and cry for goods. It would be a tragic ending indeed for the American dream, if we were to falter in the face of the Communist threat, be it military or economic.

We are facing up to the military threat, but do you know that since 1955 the Soviets have completed 206 trade agreements with non-Communist nations? Did you know that from 1954 to 1960 the export trade volume of the Soviet Union jumped from $860 million to $2,700 million—more than triple in a 6-year period?

This is our challenge. It is a challenge which we can and will meet. It is a goal worth winning if we are to have a world of liberty and freedom for ourselves and our children.

Let us look more closely now at the foreign trade situation and the problems posed by the Common Market.

Last year we exported a record $20.4 billion worth of merchandise, while our imports amounted to only $14.7 billion—a surplus of over $5 billion in our favor. Of these $14.7 billion worth of imports, more than three-fifths, or $9 billion, were goods which are not produced at all in this country or are not produced in sufficient quantities to create serious competition for our manufacturers. Only $6 billion of our imports can be said really to compete with American products.

Thus for every dollar of competitive imports, there are more than $3 of American exports. The jobs and profits that may be curtailed by the dollar's worth of competitive imports are far outweighed by the jobs and profits that are created by the $3 of export production, and the entire $14.7 billion of imports lead to jobs and income for Americans in the service industries which transport and distribute these products, including retailers such as ourselves.

The American productive economy has not yet begun to tap the potential of foreign markets and their great sales opportunities. Under trade policies that encourage increased exchange of goods among nations, we can augment the prosperity both of our own citizens and of the whole free world. But should free world trade policies impose and maintain barriers to international commerce, our own economy would have lost a major opportunity for more rapid growth, and in some sectors would also run the risk of stagnation.

In order to remove gradually these barriers to an expansion of worldwide trade, the Government must be authorized to bargain with other nations to erase, mutually, the restrictions that bind trade and prosperity. This is why President Kennedy has requested from Congress authorization to reduce tariffs by as much as 50 percent, and to eliminate entirely, in careful stages, tariffs on those articles of which the United

States and the European Common Market combined are the dominant world suppliers.

The need for this legislation now is urgent. The resiliency of our business system is challenged today from several quarters, both friendly and hostile. Among our friends, the development of the European Common Market confronts us with both a test and an opportunity. It is an exacting test of our ability to compete in a free trade area almost as large, in population, as that of our own 50 States. It is an unparalleled opportunity for the attainment of greater American production records and new heights in our standards of living.

Now, let us look at the facts. The Common Market at present includes Belgium, France, Germany, Italy, the Netherlands, and Luxembourg, and it will soon add Greece as an associate member. This adds up to a total of roughly 170 million people.

Within the immediate future, it is likely that Great Britain, Denmark, and Norway may also join, along with Greece, Ireland, and possibly others.

The Common Market would then embrace more than 300 million people, people who last year alone purchased some $5.5 billion worth of American products.

But will these people still turn to American products when the Common Market puts its scheduled tariff changes into effect? Under the Common Market agreement, all the member countries are revising their tariffs so that by 1970 at the latest—and probably a good deal sooner—a common external tariff will be applied against each type of product entering from outside the Common Market.

This common external tariff will in general be reached by averaging the previously set tariffs of all members. High tariffs will come down, and low tariffs will go up. As a result, most U.S. goods exported in the future to such important U.S. markets as West Germany and Holland, which had low duties in the past, will have to pay substantially increased rates, while goods shipped to France and Italy will enter at lower duties than heretofore.

At the same time, Common Market member countries will gradually have eliminated altogether their tariffs against each other, so that in several years no duties will be imposed on goods shipped from one Common Market to another. For example, French or Italian products for sale in West Germany and Holland will be subject to no tariff whatsoever, but American exports will generally pay a higher tariff than ever before.

Examples of this sort of danger can be drawn straight from the clothing industry. In 1960 we exported over $16 million worth of wearing apparel to the Western European countries. In particular, $3.4 million worth of American clothing was purchased by West Germany. Today, exports of men's suits or women's dresses from Italy are subject to a duty of only 9 percent, but American-made suits or dresses are dutiable at 16 percent. By 1970, the duty on American suits and dresses sent to Germany will rise to 20 percent, unless a reduction is negotiated, while our Italian competitors will continue to sell theirs duty free.

A similar pattern could develop for many of the $5½ billion worth of American products now sold to Europe. For example, in 1960 we exported about $380,000 worth of washing machines to the Benelux countries alone. Before the Common Market was set up, washing machines from both the United States and Germany were subject to the same duty—13 percent. As soon as the Common Market tariff changes are completed, which will occur within the next 8 years at the latest, and probably sooner, the Benelux countries will pay no tariff duty whatsoever while the American equivalent will be dutiable at 19 percent, if no reduction is negotiated.

This, then, is the obstacle course which the Common Market will create for American exports to Europe. One prominent economist has estimated that as a result of these changes American manufacturers could discover $800 million of their annual sales gradually wiped away.

Such a loss would come as a hard blow to the American economy: production would slack off, jobs would be eliminated, incomes would shrink. The effect would be felt not only directly by the American producers for export, but indirectly by all manufacturers and merchants, whose customers would have less to spend.

Moreover, our balance-of-payments position, which is already shaky would be further enfeebled. World confidence in the dollar would be jeopardized. With less foreign exchange at our disposal, we would be unable to afford some of the crucial programs of military aid and economic assistance by which we now bolster the free world's defensive strength against Communist encroachment.

As I have described the Common Market up to now, it may appear a threat; in fact, it is an opportunity. If the United States can forge an effective economic partnership with Western Europe through the mechanism of the Common Market, free world strength will be redoubled and American export potential immeasurably broadened. The route to such a partnership is simple and clear: We must negotiate trade agreements with the Common Market to induce those countries to lower their common external tariff barriers by substantial amounts. Of course, this can be accomplished only by agreeing to bring down our own tariff walls in return. Trade concessions are only made reciprocally. And we can start these crucial negotiations only if President Kennedy receives the necessary authority to reduce tariffs by congressional passage of the Trade Expansion Act introduced last month.

We must act promptly, if we are to avoid the threat of being shut out of Europe, and if we are to take advantage of the sales potential in this rich market. For the Common Market is growing at a tremendous rate. Its gross national product is expected to increase by 50 percent or more during the next 10 years. Last year, alone, its gross national product rose 6½ percent, its industrial production was up 11 percent, and its external trade climbed by an extraordinary 23 percent.

The European horn of plenty is now broad at the brim; there is room in this cornucopia for increasing quantities of American goods. But the tariffs barriers must be removed first.

Prosperity has also brought changing consumer patterns in the European marketplace. For example, the labor shortage has added wives to the work force, thus cutting into the time available for shopping and meal preparation. In addition, larger refrigerators make possible fewer trips to the markets. Automobiles have increased the shoppers' mobility. Advertising has helped break down the consumer's resistance to change. These new conditions of life have produced a noticeable interest in American merchandising methods—such as supermarkets, discount houses, and home delivery.

The same sort of changes are to be found in the European clothing world. With a faster pace of life, the European woman has less time to visit her "little dressmaker." The same goes for the busy European man and his tailors. Ready-to-wear clothing is increasingly popular.

These developments have placed a premium on the kind of experience the U.S. clothing industry has gained from operating in the American mass market. A large American dress manufacturer, for instance, knows the most efficient way to schedule production of 10,000 dresses of the same color, style, and fabric. His advertising and marketing experts know how to find 10,000 women who will buy the 10,000 identical dresses. European firms are still in the process of learning these techniques; the competitive advantage is still ours.

I understand that maids are becoming scarcer in Europe, so no doubt the European housewife would welcome American-made wash-and-wear clothing. Dungarees are another item in high demand; I have even heard of European merchants removing American labels from the inside of imported bluejeans and sewing them on the outside to make clear to their customers that they are the genuine American product. I hear that there is also a sizable potential market for our lightweight clothing and our casual wear—not only in Europe but throughout the world.

Government commercial attachés in Europe report that there is a market to be exploited for almost every type of American wearing apparel. U.S. manufacturers with energy and enterprise will find that they can increase clothing exports substantially, if tariffs can be brought down.

Europe's markets, of course, are not the only ones in which American sales possibilities exist. The new legislation will give the President the necessary bargaining power with which to open up new market opportunities for U.S. products in other countries as well. Moreover, any trade concessions that we negotiate

would automatically be extended to all nations in the free world; this is the so-called most-favored-nation principle. Thus Japan, Canada, Australia, and the underdeveloped countries would also be given a greater chance to increase foreign trade, thereby building up foreign exchange which would stimulate purchases from countries such as our own.

These will be some of the far-reaching benefits that a more flexible trade policy would bring to our Nation, and to the whole free world.

The Government is very much aware, however, that a freer trade policy poses the possibility that some American companies may incur temporary dislocation. And the Government does not intend to stand idly by while American industries are threatened with such dislocation. For example, let us examine the extraordinary measures President Kennedy has already taken to aid the textile industry. Last summer he took the initiative in obtaining a 1-year agreement in Geneva with the principal nations exporting cotton textiles. Under this Geneva agreement, nations which export cotton can be required to restrain their cotton textile exports to avoid disruption of domestic markets in the United States. A new agreement has been concluded between the United States and these countries which extend these safeguards for several more years thus putting our textile industry in a far better position tradewise than it has been in at any time in the last 10 years or more.

Moreover, the President's trade bill provides for a trade adjustment program which will permit industries or workers affected adversely by increased imports to receive Federal assistance to restore their competitive strength or to regain employment, under a program which is realistic, businesslike, and economically sound.

However, we do not believe that increased imports will in fact constitute a problem of major proportions. The lowering of tariffs will take place over a period of 5 or more years—not overnight. Our industries will have ample time to adjust. And this we know how to do.

Every day, American ingenuity and creativity meet and conquer competitive forces far greater than any we can reasonably expect to be created under conditions of an orderly expansion of international trade. We have not only survived such challenges, we have prospered because of them.

What is less well understood, and still more important to the country and to the passage of the new trade legislation, is the critical role trade plays in our Nation's foreign affairs.

The Communists understand this and thus have launched an extensive, carefully planned trade and aid offensive in an effort to divide and conquer one nation after another in the free world.

The magnitude of this offensive is illustrated by the fact that in 5 years, between 1954 and 1959, the Communist bloc stepped up its trade with carefully selected underdeveloped countries from $860 million to $2⅓ billion—a jump of 170 percent.

According to 1960 estimates, the Sino-Soviet bloc supplies more than 10 percent of the trade in Turkey, Finland, Iraq, Jordan, Sudan, Cambodia, and Uruguay. It accounts for more than 20 percent of the total trade of Iceland, Guinea, Iran and Greece. And in Egypt, its share is more than 40 percent of the total, compared with 15 percent 5 years before.

As a sidearm to this trade weapon, a corps of more than 6,500 Communist technicians live and work in these areas as part of the bloc's mounting foreign aid program. They are the formidable infantry in the cold war offensive.

What is our answer to this? In overall terms it must be to pursue one simple and clear purpose. It is to further the growth and cohesion of the free world. For if we can strengthen and hold together the principal associations we have; if we can aid and encourage the uncommitted nations in their independent development and participation in an open economic and political world system, we will more than compensate in expanded economic activity for the prior loss of some markets to the Communists, we will reduce to manageable proportions the tensions that are bound to arise within the free world and we will be furthering our own positive goals as to the kind of world we wish to live in, while at the same time doing much to counter the Communist drive for world domination.

That growth is necessary to accomplish this is obvious. That cohesion is equally necessary may not be so obvious, but it is just as true. Benjamin Franklin's words apply now as they did then: "We must all hang together or we will surely hang separately."

Every specific policy ought to be tested against this overall purpose—does it contribute to the growth and cohesion of the free world? The lowering of trade barriers and the expansion of international trade clearly does; a retreat into a shell of protectionism clearly does not.

These are ambitious objectives, but they are not beyond our grasp. They require diligence and imagination, but these we do not lack. They require the ability to broaden our attitudes to meet the challenge of new situations, but this we have done before. In the last 20 years our country has moved from isolationism to leadership of the free world. This has been in response to a political challenge; today the challenge is increasingly economic. We must abandon the economic isolationism that protective tariffs imply, thereby insuring commercial vitality to our own country at the same time that we help create a free world undivided against itself by high tariff walls.

In fact if we are able to move forward at this time in expanding international trade we can harness together as a working team the two greatest sources of economic power the world has ever known—the United States and the European Common Market. This will give us a combined strength more than twice that of the entire Sino-Soviet bloc. It will lay to rest any doubt as to which economic system is to prevail.

Mr. FISHER. Mr. Chairman, during the colloquy between myself and the gentleman from Arkansas [Mr. MILLS], chairman of the Ways and Means Committee, a few moments ago, in response to my inquiry about section 212 of the pending bill, it was admitted that authority is therein granted for the President to admit duty free practically all agricultural products. I am wondering how many members of the House realize how far reaching this authority actually is.

I have said the President is given that authority. In practice it will be the State Department because that Department, under direction of the President, is in charge of all negotiations that relate to international trade agreements.

Now, let me reiterate just what this particular provision does. Section 212 provides that agricultural products may be admitted duty-free, if the State Department, acting under authority of the President, should during trade negotiations with the Common Market countries decide to permit that to be done.

The language is a bit confusing, and perhaps that explains why there has not been more outcry against it. The bill provides that the 50 percent limitation on the President's authority shall not apply—note this, because it is very important—shall not apply, meaning that the items may be put on the free list—shall not apply to any article referred to in Agricultural Handbook No. 143.

The question then recurs on just what that handbook contains. What agricultural products are included?

It is all-inclusive, so far as agricultural products are concerned. Included are live animals, meat products, including fresh, chilled, or frozen beef, mutton, lamb, pork, sausage, canned beef and meats.

Also included are dairy products of all kinds, fodders, feeds and vegetables.

And it includes wool, mohair, and cotton.

It is true that such agreements could only be made with Common Market countries. But under the most favored nation clause, the same identical treatment would be automatically extended to all other non-Communist countries of the world, including Japan, New Zealand, Australia, Latin America, Africa, and Canada.

This is indeed an unprecedented delegation of authority. The Congress is completely abdicating its responsibility in this respect, and proposes to turn over to the State Department and the whims of the negotiators, life and death decisions affecting many agricultural products that may be involved. For 5 long years the Congress would have no right of review, no right to question the judgment of those who will be acting in pursuance of this delegation of authority.

Mr. Chairman, earlier this week I discussed this legislation in considerable detail. I undertook to emphasize the many dangers that are wrapped up in this legislation. It is admitted that never before in American history has the Congress delegated so much power and authority to the Executive.

I pointed to the evils inherent in the provision in the bill which authorizes the President to furnish import adjustment aid in the form of readjustment allowances, a form of unemployment compensation, training and relocation allowances to workers, and technical assistance, financial aid, and tax relief to firms.

That is what is known as the welfare provision, reported to have been included in order to placate certain labor unions which are apparently apprehensive of the likelihood that many American industries may have to shut down or reduce their operations because of drastic reduction or elimination of tariff rates.

The welfare section allows unemployment benefits in amounts nearly twice that of ordinary unemployment benefits, covering periods of up to 91 weeks, with the American taxpayers paying the bill.

It makes industries and workers wards of the State, and in effect puts them on a dole. And this will go on indefinitely. It would grant to bureaucrats in Washington an area of discretion in going to the aid of the distressed industries and their employees, which would naturally lend itself to all manner of political favoritism and boondoggling.

The bill ignores the plight of the oil industry which, except for big major companies, is suffocating as a result of the manner in which the mandatory oil import control program is being administered.

I have previously pointed out that under the mandatory control program imports achieved an alltime high of 1,889,000 barrels per day—a half million barrel-per-day increase during the preceding 5 years. During that time domestic production was denied practically any increase. From 1956 through 1960 oil production in Texas dropped 476,000 barrels a day, with average producing days per month dropping from 15.8 in 1956 to only 8 in 1962.

This reduction had to be done in order to avoid a chaotic market breakdown for domestic production.

Despite this problem attempts to include in this bill something that would require imports of petroleum to bear a proportionate relationship to our needs and our own domestic production, were ignored.

Mr. Chairman, I shall not belabor this issue further. To be sure, we all want to encourage foreign trade, but in the enactment of laws that relate to it some consideration should be given to American industries that might be adversely affected by trade agreements. Under the pending bill the peril-point and escape-clause provisions in the present law are all but wiped out. This Congress is certainly capable of enacting trade laws without a complete surrender of its constitutional responsibilities in this field. And yet that is precisely what is involved here.

Mr. WHITENER. Mr. Chairman, no Member of this body has greater respect and admiration for one of his colleagues than I hold for the distinguished gentleman from Arkansas [Mr. MILLS], the chairman of the Ways and Means Committee. He is able, effective, sincere, and personable to the greatest degree. His presentation of his views on H.R. 11970 has been outstanding as is the usual performance by the gentleman.

I would like to go along with him and his splendid committee on this legislation if at all possible. However, after serious and diligent study of the proposal and after giving full attention to the arguments pro and con on the subject I cannot bring myself to the view that this approach to our trade situation is to the best interest of our people. Therefore, Mr. Chairman, I shall vote for the motion to recommit the bill to the Ways and Means Committee; if that motion fails I shall then vote against its final passage by the House.

Experience during recent years in our great textile area convinces me that we must have a new trade program within the near future if that industry and the jobs of our people in textiles are to be preserved. I do not believe that the principles enunciated in H.R. 11970 will measure up to what I believe are the requirements of the American people in many industries now so harmfully affected by inordinate imports of competing low-wage commodities.

Nor, Mr. Chairman, do I believe that the proponents of this bill can sincerely avow that this legislation will preserve American jobs. I say that because of the language of the bill—covering approximately 40 printed pages—which has as its purpose the loan assistance to industries and unemployment compensation to workers who are displaced in the future by importation of foreign-made products. If they did not anticipate severe injury to our industry and our workers how can they justify inclusion of these disaster provisions in the legislation?

Will lowering tariffs, as the President is authorized to do in this bill, place our industry in a more competitive position than we now have? I do not think so. Recently the Joint Economic Committee of the Congress, composed of some of most able colleagues, found that our tariffs are among the lowest of any nation. Yet some of the members of that committee have spoken with great eloquence on the pending legislation urging that we should prepare to completely eliminate some of these tariffs in the interest of promoting world trade.

Our friends who support this legislation tell us also that we must be in position to further reduce tariffs as another weapon against our serious balance-of-payments problem. If this be true—and I cannot accept their arguments as sound ones—our neighbor to the north, Canada, has in the past few days ignored the validity of the contentions of the sponsors of this legislation. How did they go about combating their balance-of-payments problem? They announced to the world that their Government was raising tariffs on imports appreciably in order to bolster their declining dollar.

If the present bill becomes law and if Canada persists in her announced policy of raising tariffs we will all know within a few years which of the two nations had the correct solution. I am unwilling to gamble away the jobs of our people and the economic security of our Nation in this bold experiment which is now being advocated by many for whom I have the highest respect.

On several occasions I have addressed the House in an effort to impress upon my colleagues the gravity of our situation in textiles. At the same time I have recognized publicly the plight of people in other great industries in the United States who have been irreparably damaged by excessive imports. Regretfully, these efforts seem to have met with little response. Today it appears that a majority of our colleagues will take the untried route in trade policy embraced in the pending legislation. I hope that their bold venture will prove successful. If so, then I will be the first to applaud them for their great service to the American people. If they are proven wrong I will share their disappointment without criticizing them.

Each of us has a solemn duty to do that which is to the best interest of the American people as we see the issues and the possible solutions. On the basis of my observations of the economic developments during the past 10 to 15 years I cannot in good conscience be a party to the risks being taken in this bill. That is my decision after prayerful and earnest consideration of the entire issue.

Mr. ROSTENKOWSKI. Mr. Chairman, in the makeup of our history as a nation, transition has become an important segment of our lives. Since our beginning we have reached for new plateaus to accelerate our growth and progress which have been instrumental in achieving the greatness we now enjoy.

The United States, from its very beginning, has been the bright star in the west, beckoning the ambitious, the industrious, the inventive geniuses to apply their ideas and talents in the land of unlimited opportunity for achieving wealth, status, and material success. A land where opportunity is not based on inheritance, but on competitive ability to reach the goal set in the individual's mind. It is this competitive spirit that produces a surging economy and a life of pleasure. In our makeup, we offer the wide straight road to realize the age old dream of "Shangri-la."

As our Nation has progressed we have faced many changes, from era to era, which required us to retool our machinery of progress. We can note the railroads replacing the stage coach and covered wagon trains; the automobile replacing the horse and buggy; electricity eliminating candlelight; steam providing power heretofore dependent on the muscle of man; machinery easing the burden of wielding the scythe and tilling the soil and from each of these eras, new doors opened from which new ideas were formulated. Ideas that expanded our potentialities. Ideas that enabled our people to face life with new vigor and assurance that their heirs will not be required to struggle for existence.

And yet, each change produced a gray area for the populace of the time. An area which eliminated certain crafts and trade, displacing the laborers engaged in the production and handling of the

product or service they afforded. It is true it created a hardship upon those displaced, but it did not sap the ambitions of those unfortunate few and they hitched up their belts and accepted the new challenge facing them.

With renewed faith and foresight, they carried on and realized greater fortunes than originally anticipated.

Although this story points to our advancement, it is not a new tale. For the history of mankind is dotted with changes. Changes which have proven, through the age old axiom of time, the need for change. It is encouragement which has been accepted and must continue to be accepted to avoid stagnation.

Today we are faced with another new era of change. A change in our marketing policies. Marketing—a vital artery in our overall structure for continued success—so necessary to insure us and future generations that the United States does not intend to run last as a nation but will continue to challenge for the lead position in the world. It is this competitive spirit which provides the free world with the best weapon to defeat the bondage that communism offers. And it is this competitive spirit which has brought about the rebirth of war-torn Europe, placing them in a position to enjoy a full and prosperous life as individuals and not as part of a slave world which offers nothing but grief and hardship.

Today, we in Congress, the elected lawmakers of the land, are considering a major piece of legislation that will, without doubt, be enscrolled upon the pages of our history as a major turning point of our life as a nation.

H.R. 11970 is designed to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes. It was offered to the Congress by our great President, John F. Kennedy, but not before an extensive study had been made as to its merit, for the general well-being of our Nation. It had to be seriously considered for its effects will make a decided change in our operations and the way of life for some of our citizens.

As is the conduct of the principles of our Government, the President's suggestion had to be openly aired by committee process in Congress so it could be clearly understood before the lawmakers acted upon its provisions. Our great Committee on Ways and Means was assigned the task to delve into the complexed proposal.

It had to investigate the effects of the bill on the overall economy of our country, for this legislation is not pointed to any one segment of industry, but will blanket a major portion of the varied businesses operating within our borders. The committee patiently listened to the testimony of management, farmers, labor, trade organizations, private individuals, professions, and appointed and elected Government officials. It became one of the most extensive and exacting studies of any legislation placed before Congress. And well it should be, for we are facing a new era as important as any we have ever faced.

After all interested people voiced their feelings, the committee carefully analyzed their testimony, giving fair and impartial consideration to the general needs of our citizenry. The results of this extensive study and consideration are now before this legislative body as H.R. 11970.

For me to expound the provisions of this bill would only be needless repetition for the printed bill and analysis speaks for itself.

I believe it is better to devote my time to my interpretation of the effects of the legislation upon the general welfare of our Nation.

America is now reaching the brink of a new plateau. It is the next step upward to continued world leadership. There are great promises of a full, rich, and pleasant way of life awaiting us now and in the distant future. We are on the threshold of space travel; elimination of dreaded diseases and so-called incurable illnesses; relief of still existent laborious tasks to allow us greater leisure; and greater assurance of the means to enjoy these pleasantries.

But the means can be limited, affecting the prospects of receiving the most out of life, if we fail to explore the free markets of the world in order to distribute the fruits of our labor. For America can do no more without the possibility of trade, and in the booming prosperity of the free world we are definitely in need of a new trade policy.

With the birth of the European Common Market, now accepted by Great Britain and other countries, a multibillion dollar trading post has been erected. A trading post which engulfs some 250 million population of Western Europe.

An area rising from the despair of war, rebuilding and moving forward at an accelerated pace, paving the way for a multitude of products and services which have been yearned for and are most desperately wanted by people who have experienced hardship and lack of goods to ease their burdens.

The potential available market is likened unto the vast resources that developed the richness of our land when the early pioneers heeded the words of Horace Greely, "Go west, young man, go west." Only in this instance, it is "Go east, American, go east" for there is a need for your products and produce. But we cannot realize the profit that is available from this market, unless we are in a position to bargain for the distribution of the commodities we produce into this market. We are at the starting gate and, as the lawmakers, we control the switch to open this gate, which will allow us to run freely in the race for a strengthened economy and position of world leadership. And the switch we control is the Reciprocal Trade Agreement Act of 1962, now before us.

As President Kennedy has said:

> We stand at a great divide: We must either trade or fade. We must either go backward or forward.

There is compelling truth in these words, for at the pace the Common Market is moving, it can supply its own and much of the world's needs without us if we do not join the competition while it is still young.

To do this we must speed up the process of tariff negotiations. For the old ways of haggling, long hearings, and petitions over each one of scores of items, are too slow for today's pace. The bill before us enables us to negotiate in terms of expedience. It grants us a seat in the game instead of the position as a kibitzer, which never gains results.

As I have already mentioned, a gray area will develop as the result of freer trade. There are certain industries in our country which can be hurt from an increase in imports. However, this bill provides means of cushioning industries which may be hurt by lowered tariffs. The President has assured us that "no one will be sacrificed to the national interest with a medal or an empty grocery bag."

Broader access to world markets will provide us with a broader expansion of our economy. For I believe in the tradition of American enterprise, where ingenuity and resources make us a progressive, wide-awake nation.

Since our birth as a nation, we have accepted all challenges put forth to us by peaceful competition or hostile provocation. We have emerged triuphantly. And our victories have resulted because of the cooperation and ambitious spirit of our people to retain what we have. They have not been the result of an isolationist policy.

For this reason, I believe this Nation will accept the challenge of the European Common Market. We will plunge into it with the same vigor as we have in previous challenges placed before us. And I further believe that the will of the American people has not reached a point of stagnation, but the desire to continue to move forward.

As we can see and realize that a liberal trade policy in the free world is an important weapon in the economic cold war, we can fully understand that we have a fine opportunity to strengthen Western unity and erect a solid free world front against the Communist political and economic assault.

Expanding trade also would be a boon to our own economy.

It will create greater employment as it is estimated that each billion dollars in exports will create 150,000 more jobs.

We have reached a new plateau in our way of life. To continue to rise we must meet the needs of this new era. It holds great promise and we should not deny ourselves the benefits which hold forth. It is the national interest of our country and future survival of the free world, that we, the lawmakers of the land, express our confidence in the proposal before us and enact H.R. 11970, the Reciprocal Trade Agreement Act of 1962.

Mrs. CHURCH. Mr. Chairman, for 12 years, ever since I took my seat in this House, I have consistently—and enthusiastically—supported each bill extending the Reciprocal Trade Agreements Act. I have done so because of my conviction that healthy and growing in-

ternational trade is an essential part of our national economic well-being.

I came to the House floor yesterday fully expecting that I would support this present bill, H.R. 11970. Two days of constant attention during the debate, however, have convinced me that this measure in its present form contains certain provisions that I cannot support: Provisions indeed from which I can only anticipate inequities, discrimination against both labor and industry, and great potential danger to our economy and our national well-being.

It is regrettable that the closed rule which was requested by the Ways and Means Committee and granted by the Rules Committee prevented the House from giving consideration to amendments which would, in my opinion, have removed at least some of the most objectionable provisions. Since this was impossible, I, therefore, must express my opposition and my apprehension by my vote, in the hope that such demonstrated objection to certain parts of the measure will emphasize to the other body the need for adequate revision of its provisions.

I would hope that the bill might be returned to the House with revisions and deletions that would justify my support.

Mr. ROBISON. Mr. Chairman, the high level of this debate is evidence of the fact that all of us are aware of the historic importance of this moment.

Certainly, I have no illusions concerning the importance of the votes I am about to cast; for at least in part thereon, may be shaped the economic form of the world ahead.

Of the two votes that will occur later this afternoon—at least as the situation is now anticipated—the motion to recommit H.R. 11970 in favor of a simple extension of the present program has the appearance of being a sound and deliberative move. It is attractive not only because of that but for political reasons of import—I am sure—to almost every one of us.

However, I do not believe that such a maintenance of the status quo is in the national interest. The situation we face abroad is changing by the moment. Many of the pieces to the puzzle have yet to be put in place. Our action here today, in moving forward in a positive fashion to adjust to the situation, will undoubtedly have a substantial effect thereon.

I believe, therefore, that it is incumbent upon us to now move toward freer trade, imperfect though the vehicle we have to use may be and painful though the impact thereof may perhaps be upon some segments of our domestic economy.

In a sense, it seems to me that we face something comparable to the inevitable visit most of us know we should make to our dentist. It is easy to postpone that visit, but will the experience be any less painful because of such postponement?

Moreover, I do not want it said that this Congress is unwilling to give the President of the United States the tools he may need with which to meet the changing patterns of world trade, and to meet them in such a fashion that the interest both of this Nation and of the free world will be served. I am aware that the bargaining authority to be newly vested in the President by H.R. 11970 is substantial, but it is not wholely unprecedented and I believe that, in general, it is dictated by the situation in which we find ourselves.

In several ways, on the other side of the coin of such authority, I also believe that H.R. 11970 represents a substantial improvement over the existing act. These improvements include a better plan for preagreement procedures, and the utilization of a special representative to the President as well as a Cabinet-level advisory organization on tariff adjustment matters, thus fixing, more clearly than ever before, the responsibility for trade negotiations. It will also include the provision for a congressional veto, by majority vote of each House, of a Presidential rejection of any Tariff Commission recommendation for relief which, better than ever before, enables Congress to retain a valuable measure of control over this entire program.

It should also again be pointed out, more often than it has been here yesterday and today, that H.R. 11970 is enabling legislation only, and that its passage will not automatically reduce one single tariff of the United States. Further than that, the bill also permits the President to also increase duties to 50 percent of the July 1, 1934, level as well as to take other steps to protect domestic industry which is either injured or threatened by injury as a result of imports.

I am, of course, not pleased with the situation in which I find myself as a result of the action of the "enlightened" and "liberalized" Rules Committee, whereby we must accept all or nothing of H.R. 11970. I am as disturbed as many of my colleagues concerning the adjustment assistance provisions of the bill of their import and of the precedent that may be set thereby. I can only hope, under these circumstances, that the reservations that others have so ably expressed concerning those provisions will be more fully debated in the other body, and those provisions substantially altered before the measure returns to us by way of conference.

Finally, I think it should be recognized by all that the enactment of this law will not, in and of itself, solve our problems in world trade or our current balance-of-payments difficulties. To the extent that some of us think it will, is pure wishful thinking based on the White House's unfortunate tendency to oversell this program as a panacea to all our problems.

Instead, this bill can be only a part of what is needed if we are to realistically face up to a new and changing world economic pattern. Other parts of that effort would include, in my judgment, the early completion of a comprehensive reform of our tax structure, the early implementation of the long-promised depreciation reform, the early elimination of current inflationary trends and Federal deficits, and an understanding and encouragement—which of late has been missing—of the free enterprise system by the Kennedy administration. I believe that this Congress must be prepared, if the administration does not move in these other areas, to take the initiative for doing so, itself, and that we should do so this year, no matter how attractive home may be beginning to seem to most of us.

Mr. KILBURN. Mr. Chairman, this trade bill is a nonpartisan measure. The question is, what is best for our own country. The United States now has the lowest tariffs of any major country in the world and it is now fifth lowest of any country. This bill gives extraordinary powers to the President.

We face many uncertain conditions in the world. We do not know how the Common Market will succeed in Europe. We do not know if England will join it. We do not know what the effect of the Canadian devaluation of the dollar will be.

The President has the power, under existing law, to lower tariffs 20 percent over the next two years. He has already negotiated with other countries and has proclaimed that he will lower them. If this new trade bill goes into effect he could not do more than that anyway for the next two years. Next year the Congress can give him further power if conditions warrant.

American investors have lost about $150 billion in values in the last 30 or 40 days. The earnings of many Corporations are down and unemployment is increasing. Steel production is about 50 percent of capacity.

Under these uncertain conditions and such an uncertain outlook for the coming year, it would be wise, in my judgment, to postpone consideration of this matter and make a simple extension of the present law for another year.

Mr. ASHLEY. Mr. Chairman, I rise in support of the Trade Expansion Act and I do so from a deep conviction that the well-being of generations of Americans to come depends upon our ability to take enlightened action today.

One would have hoped, Mr. Chairman, that politics might have been put to rest on an issue of such overriding national importance. Unhappily this does not appear to be the case and we need look no further than the motion to recommit for evidence of this fact.

This motion, which will be offered and supported largely from the Republican side of the aisle, does not seek to perfect the legislation before us. It seeks to kill the Trade Expansion Act in favor of a 1-year extension of the Reciprocal Trade Agreements Act. In short, the motion to recommit offers nothing new or different as an alternative, but instead continued reliance upon negotiating authority which has been largely exhausted and which is clearly insufficient to meet the explosive demands of the Common Market.

The Republican side must be congratulated for its consistency, if nothing else. It was less than a week ago that a similar motion to recommit was offered from that side of the aisle, again making no effort to improve or to offer anything new or different as an alternative. On that occasion it was the adminis-

tration's farm bill which the Republicans sought to defeat, favoring a return to the programs of former Secretary of Agriculture Benson—programs which have resulted in the accumulation of unparalleled stores of agricultural surpluses at an annual cost of billions of dollars to the American taxpayer.

If negative thinking and opposition for the sake of opposition prevails today as it did last week, the Republicans can again celebrate a victory which will have cost the country dearly.

Mr. Chairman, the industrial vitality of our country is on the line today. If we are to maintain our dominant position among the trading nations and areas of the world, we must extend to the President the tariff-reducing authority provided in the bill before us.

But this alone will not assure our future, Mr. Chairman. It will merely assure continuing opportunities for American industry to participate on an increasing scale in the trade markets of the world.

If the full potential of our future is to be realized, not only must this bill be passed but, equally important, greatly improved techniques must be found to assist the American businessman to expand his sales abroad. This has been a field in which I have long been interested because I have seen the extremely effective help which the governments of other leading trade nations are giving to their exporters, whether they be small, medium or large.

In the past, Mr. Chairman, the assistance which our Government has made available to American exporters has been far less than that provided by other trading nations. In many respects the American businessman achieves success in the export field not because of, but despite Government activity supposedly in his behalf. Recently efforts have been made to upgrade these efforts and to promote imaginative programs to expand our sales abroad.

But much remains to be done if we are to achieve a coordinated effort. Within a few days, Mr. Chairman, I will present for the RECORD an analysis of export promotion and expansion functions and activities of the U.S. Government. I regret that time today does not permit me even to summarize this report because it goes hand in hand with all that has been said for our future trade potential and the necessity for passage of the legislation before us. Manifestly, this future depends upon an effective partnership between American Government and American business.

Mr. MACK. Mr. Chairman, my concern about the decline in our gold reserves was one of the factors in my sponsorship of the International Travel Act of 1961. Under this act the U.S. Travel Service, in the Department of Commerce, has shown great enterprise in developing an aggressive program for attracting foreign tourists to this country. As my colleagues know, one of the major aims of this program is to help reduce the international payments deficit.

During our committee hearings on the travel bill the testimony made it abundantly clear that it is imperative for the United States to maintain its favorable balance of trade with the rest of the world. Our military and economic aid programs abroad, as well as the billion dollar gap between what American tourists spend abroad each year as compared to the money foreign tourists spend in this country, have resulted in a heavy drain on our financial resources. I believe that every effort should be made to reduce our foreign aid commitments but it would be foolhardy, while doing this, to fail to give the President the authority he needs to negotiate trade agreements that will permit American business concerns to compete with the European Common Market and other nations throughout the free world.

For this reason, Mr. Chairman, the bill before us today has my wholehearted support.

Mr. RANDALL. Mr. Chairman, I rise in support of H.R. 11970 which, as a clean bill, supplanted H.R. 9900.

It has been said by several members on the floor during the last 2 days of debate that the Trade Expansion Act of 1962 is the most important piece of legislation to be considered by the House in the 2d session of the 87th Congress. This thought has not been limited to expressions by the Members because in the 1962 state of the Union address, the President said:

> Enactment of the Trade Expansion Act of 1962 could well affect the unity of the West, the course of the cold war, and the growth of our Nation for a generation or more to come.

And in a subsequent message on the trade program added:

> A new American trade initiative is needed to meet the challenges and opportunies of a rapidly changing world economy.

It is not enough that our colleagues or our President simply say a trade bill is important, as a matter of national welfare, but a bill becomes an important one to each individual Member of the House when his constituents believe a measure such as this is important.

Interest concerning a reciprocal trade measure has been expressed in growing volume by our people of the Fourth Missouri District, which is located in west central Missouri, since about the beginning of this calendar year, and we are able to report that of all the mail which has been received, it has all been favorable to the passage of this legislation, with the exception of perhaps a fraction of 1 percent which would certainly amount to less than 25 letters expressing any sort of opposition. All of the newspaper editorials of the leading papers of our area have supported the principle imposed in H.R. 11970. With this sort of support coming from our own congressional district, we set about to make a careful and considered analysis of the bill as reported by the Committee on Ways and Means.

We recall that in 1934, Congress enacted the first reciprocal trade agreement which was then proposed by President Roosevelt, allowing for modification of the high, rigid tariff barriers in an effort to revive foreign trade as a stimulant for the then depression-ridden economies. Then, as now, this was not a free trade bill, but instead was a reciprocal trade measure, giving the President authority to negotiate trade agreements with foreign countries, providing U.S. tariffs would be reduced only—or in return for—reductions in foreign tariffs against American goods. Over the years, since 1934, I think it is safe to state that this gradual lowering of our tariffs has expanded our foreign trade and has created many millions of new jobs, new companies, and stimulated new demands for our products on the one hand, and on the other has assured us of reliable sources for vital raw materials which we must import. We should remember that this law has been extended 11 times since 1934, and most recently in 1958. It will expire June 30, 1962.

As we support this bill we are mindful that today the United States enjoys a favorable balance of trade. The basic trade facts are that we exported about $20 billion of goods in 1961, and imported only $15 billion from foreign countries. Another basic trade fact that we should not forget is that our foreign trade provides for us, right here at home, 4.5 million jobs for American workers. Of this figure, 3.1 million are the jobs in industry and on the farm producing the materials or goods for export, and 1.4 million of the jobs are provided by transporting and processing goods which we import.

It is most interesting to note that about two-thirds of the dollar value of our exports are made up of farm products, $4.8 billion; machinery, $4.3 billion; transportation equipment, $2.7 billion; chemicals, $1.7 billion; and coal, $0.4 billion. Even more interesting is the fact that about two-thirds of our U.S. imports are basically noncompetitive with our own domestic production which means these goods are not produced at all in the United States, but imports of which are essential for the manufacture of our products here at home.

Another very significant "why" H.R. 11970 is important, is the fact that imports are not only essential to our economic growth, but also to our security. The fact is, we are dependent upon imports to supply key raw materials to our defense establishment, and while this is for military security, these very imports provide other free nations with the dollars they need so desperately to buy 75 percent of our exports.

The question presented to the Congress—and to the entire free world—is plain: Shall the free world come together in one great trading community which includes not only Western Europe and North America but also Japan, Australia, Latin America, and Africa as a solid front against the Communist world, or do the free nations go their separate ways as fragments—ineffective because of their disunity?

But it might be argued that this gain on the international front or victory in the cold war may by the enactment of this legislation weaken our economy here at home and delay the final victory we all seek. This leads to the means provided to prevent injury and damage to our own industrial establishments

and we believe this has been provided for under the adjustment assistance provision of title III of the bill which provides not only assistance to workers, but assistance to firms, including tax assistance and what seems to be ample protective provisions and includes worker training, relocation allowances, and provision for subsistence payments during unemployment or retraining.

Once again, we ask ourselves why the new trade bill is so vitally necessary this year instead of adoption of the possible proposal to recommit the bill as has been suggested by a group of members for a simple 1-year extension. Of course, this recommittal would simply kill the bill and make it impossible for U.S. tariff negotiations with the Common Market in other countries during the very critical period that lies just ahead. The further answer to the question is that the challenge of the European Common Market will come now, in the year ahead, or in the immediate future. There has been a very rapid emergence of this group of European nations and that is one of the significant factors that makes a revision of our trade policy most necessary now.

If this bill becomes law, and if the President is granted the negotiating authority and he is successful in such a negotiation, what does this mean? It means our products will have access to the expanding economy of Western Europe, which at present could be described as "dynamic," and, more importantly, it means new jobs, more rapid economic growth, and full employment at home.

H.R. 9900, introduced by Chairman MILLS of the House Ways and Means Committee, incorporated many of the President's recommendations. Those who are observers of the legislative process will be pleased to know that the committee held 21 days of public hearings, during which time the bill was supported not only by administration witnesses but by the United States-Japanese Trade Council; the Committee for National Trade Policy; the American Association of University Women, the League of Women Voters, and even more significant than the above-named organizations is the fact this bill was supported by both the U.S. Chamber of Commerce and the AFL–CIO. When these two groups, representing nearly all of American business and nearly all of America's working men and women, endorse a measure, surely it must be sound and needed.

Mr. Chairman, the people of the United States will benefit economically by the enactment of H.R. 11970. In the struggle against international communism the free world will be unified and strengthened by the enactment of H.R. 11970. These are the reasons we support the Trade Expansion Act of 1962.

Mr. PHILBIN. Mr. Chairman, first I want to make it clear that I favor trade with all nations of good will and fair dealing and am anxious to promote cordial, friendly, constructive trade, and commercial relations on a reciprocal basis with all such nations.

It does not seem to me, however, that this bill any more than the reciprocal trade treaty bill, is a suitable vehicle for the accomplishment of that purpose.

International trade should be a two-way street, and not a one-way street. If we open our doors, as we should, to properly regulated trade with other nations, they should do the same for us. But the evidence makes it clear that they have not done so, and there is no guarantee they will do so under this bill.

Foreign trade, like domestic trade, should be mutually profitable and advantageous between the parties.

Trade or commerce which is secured by making grants, or doubtful loans to foreign purchasers does not meet that standard.

Trade which, in its impact and effect, paralyzes domestic industries in our own country, allows cheap imports to flood American markets creating depressed conditions and unemployment of our own people and the liquidation of many historic industries an businesses, is not in the national interest.

Trade relations which cause additional, huge outflows of gold from this Nation to other nations is likewise not at present, in the interest of this Nation, and should not be encouraged.

The gold imbalance, which afflicts and threatens us at this time in a very real way will be increased and worsened by the increased flow of imports into this country.

There are, in the main, three principal ways by which we can attack the serious, gold imbalance problem which lesser and more superficial measures have failed to do.

First, cut military outlays and expenditures abroad. This cannot be done in sufficient amounts because the national security is involved. But more earnest and vigorous efforts should be made to cut these huge, and sometimes very wasteful expenditures.

The second way is a substantial cut in foreign aid and this could be done this year without materially hurting the aid program or related military support programs in any serious way. However, instead of reducing, we are very substantially increasing foreign aid this year, if present plans are adopted by Congress.

The third way is to decrease imports, as some other nations are doing, and the Common Market will do, according to its own statements. But this bill could have the opposite effect, as I pointed out, of greatly stepping up imports without corresponding increases in exports and in that way increasing the gold imbalance against us.

There is another way by which we could effect a decrease in the gold imbalance and that would be to greatly increase exports. I am not convinced at this time that there is a truly favorable prospect of accomplishing that end. Foreign nations, for the most part, are doing what our Nation should be doing—importing our goods when they have a real need for them, or cannot get along without them, or finding them cheaper and better than those of our competitors.

As I indicated, they are always glad to take our goods, as they are doing when they can get them for nothing, under some foreign giveaway program.

Moreover, with fullest respect to those who think otherwise, I feel it would be the better part of wisdom for the time being, to wait until the Common Market and the British position therein and the status of the European neutrals, is more definitely fixed, and until we know just what the situation is and just what adjustments or accommodations are necessary, possible or sound, in order to adapt our trade policy and security policy to the Common Market or markets in Europe or elsewhere.

Any bill the Congress adopts might also contain some real effective safeguards against the cannibalizing of American home markets by cheap, low-grade, low-standard, sweatshop products from abroad. Of course, this bill does not contain such safeguards. Both the peril point and escape clause provisions contained in the present laws are weak and ineffectual. Congress could never as a practical matter legislate on each case recommended by the Tariff Commission.

When we get to the point where we deliberately pay the price of closing American factories and throwing American workmen out of jobs to do business with foreign nations, we are merely inviting economic conditions in this country which, if continued long enough, would bring our high American standards of wages, living and social standards down to the level of foreign economies. That would certainly be the logical and inevitable result of the increased flow of cheap imports from abroad.

Indeed, to a greater extent than we would like, we already have some of the undesirable results and effects of cheap imports appearing in our economy today, and this situation is very serious as to many industries and workers.

This bill is not only unprecedented in legislative history it is a completely new departure in that its sponsors candidly admit the likelihood that cheap imports would adversely affect American industries and workers and they have made provisions in the bill for subsidies and unemployment relief benefits for these affected industries and workers.

Under the Constitution, the Congress has the responsibility for regulating foreign and domestic trade and commerce imposing duties and controlling imports. It is true that reciprocal trade laws have somewhat changed and altered these powers, but I think that Congress should not, at this time, or any other time, except in great emergency, delegate more of these great constitutional powers to any department of the Government.

When measures of this kind are necessary, Congress should clearly and specifically limit and define any grant of its power and retain final control, as the Constitution intends, of its function to regulate trade and money.

I recognize that many fine and outstanding people motivated by humanitarian, altruistic and security considerations are supporting this bill as is their right under our political system.

But in my district, and in my State and area, there are many industries already suffering from increased foreign trade which would be even more adversely affected by this bill. The heads of these industries, thousands and thousands of workers in my district and State and many other interested people have been in touch with me protesting against the trade expansion bill.

These people are alarmed by the prospect of virtual free trade and the lack of feasible, practical safeguards against injurious imports threatening large segments of our industrial structure. The boot and shoe industry, the textile industry, the steel industry and its various ramifications, the electronic industry—also across a broad spectrum—the plastics industry, the woodworking industry, the bicycle industry, the carpet industry, the glass and ceramic industry, the scientific apparatus makers, woolgrowers and others have been in touch with me protesting against the trade expansion bill.

These people express doubt that we can accommodate ourselves completely to common markets, or other foreign markets, without causing serious unemployment, economic recession, or depression, in this country, and without marked reduction in our present high standards of living.

There is certainly no easy panacea to the problems of international trade, the dollar imbalance, and the maintenance of national prosperity.

I am anxious to seek flexible solutions to these great public questions, and I am particularly desirous of cooperating with our great President in developing ways and means by which we can strengthen our Nation and the free world. But there are instances when the implications clearly emphasize the need for caution and restraint. I feel that this is true with regard to current trade expansion proposals, and I am searching for more assurances than I can find at the moment that the trade bill, without some adequate safeguards, would not produce the unfavorable conditions of lowered standards of wages and living in this country and in my district, which, industrially, is particularly vulnerable to cheap imports.

As I have said, foreign trade should be a two-way street and not a one-way street, such as it has been. If some good paterfamilias would have been willing to pour multibillions of dollars into our economy since World War II, our rate of growth and prosperity would be greater than they are at the moment and we probably would not be worrying about market conditions, the gold problem or the economic state of the Nation.

I doubt that we can make grants to our oversea competitors to build and equip their factories, provide modernized machinery and marketing know-how, furnish them with materials at 75 percent of the cost to the American market, as we are doing in the case of cotton, and then expect to compete with them on any discoverably, favorable basis in foreign markets or in our own markets.

It would be well if the bill had addressed itself to preventing reductions in duty before conditions of depression and disaster develop. Subsidies are not a substitute for sound, prosperous industry, and unemployment benefits are not a substitute for good jobs at high wages under decent conditions. From my standpoint, it is most desirable to encourage mutually profitable trade with friendly nations and particularly to strengthen those who are standing with us in the cold war. But it is my firm conviction that we can achieve this end without injuring or jeopardizing our own industries and the jobs of our own fellow citizens.

I do not care to belabor the broad sweeping powers which this bill would grant to our Government negotiators because our experience with the administration of the reciprocal trade treaties provides us with definite evidence of how these powers may be used. If a modified closed rule had been adopted which would have permitted the consideration of some really clarifying, safeguarding amendments, there might be some opportunity now for latitude in accepting this bill on the basis of practical, flexible, adequately safeguarded trade policy.

But the closed rule under which the bill is being considered today enjoins that opportunity and leaves me with no prospect of finding the assurances that I seek in the measure for our American economy and its faithful workers and the American people.

In my opinion, reinforced peril point and escape clause provisions would greatly improve the bill, and if properly drawn and agreed upon, possibly constitute the basis for insuring against the dangerously increased volume of cheaply produced imports that might well stagnate the American economy.

The Constitution clearly prescribes the powers and obligations of Congress in regulating imports as provided by article I, section 8 of that great document. These powers should be definitely retained by Congress by provisions that would make speedy adjustment of injurious imports possible under specific provisions of law.

On the whole, proper safeguards coupled with flexibility of administration and certainty of redress would allow us to mold and pursue a trade policy that would be practical and workable in every contingency that the common markets and our own economic prosperity might dictate.

Whatever ensues, I hope that Congress will keep in mind the needs of our great, free enterprise system, its managers and workers, and the millions of inarticulate people who look to us for guidance, assistance, and support regarding their interests, their jobs, and their future well-being.

Mr. GALLAGHER. Mr. Chairman, passage of the Trade Expansion Act will greatly stimulate U.S. economic growth. It will put our industry on its mettle to become more efficient. Industry will make more rapid application of the best technologies, will expend more funds and attention on the development of better technology and products, will hunt out and eradicate more swiftly the wastes and inefficiencies which continuously creep into operations.

This bill will enable our Government to negotiate better access for U.S. industry into the fastest growing market in the world today—the European Common Market. Lacking such access, the growth of our most dynamic and efficient industries will be hampered; with such access, these industries will have new worlds to conquer.

It is unquestionable that trade liberalization here and abroad will raise our productivity and wages, because it is our highest wage, highest productivity industries which lead in U.S. exports. Trade expansion thus means that the vanguard of faster industrial growth rates in the United States will be taken by our most efficient industries. This means that wages will rise for the average American worker. The key question here, however, is whether rising wages due to such expansion will adversely affect our price level. Concern for the consumer, for our balance of payments situation dictate that we view all major economic legislative measures from the standpoint of their possible effects on prices.

Fortunately, trade liberalization is a measure which promises us the benefits of growth and the benefits of price stablity. It disciplines the price raiser, while increasing the rewards to the conservative pricer. Because of this factor, trade liberalization promises that wage increases will be real wage increases, that the consumer will not only be able to choose among a wider variety of alternatives, but on particularly attractive terms. Thus, trade liberalization means a faster rate of economic growth, higher real wages, and a better deal for the consumer. These factors will also bring greater exports and a better long-term, private-capital balance. This follows because the incentive for U.S. industry to invest abroad will be reduced as foreign tariff walls come down. Thus, the effect of trade liberalization will be to help our balance of payments and reduce our gold outflow.

U.S. trade liberalization will also contribute strongly to the unity and strength of the free world, and will powerfully reinforce our international leadership position. Freer trade means greater economic interdependence among the nations—thus less focus on self-sufficiency and neutrality. It will increase the acceptance among the new nations of free enterprise and will boost the economic and political yields to our foreign aid program.

It is not surprising to me that trade liberalization contains such potentialties for good for all things most important to us; after all we owe much of our own growth and freedom to trade liberalization within the American States. Both our own progress and that of our friends and allies will be enhanced by an extension on a broader front of the princi-

ples on which we have built our greatness.

The CHAIRMAN. All time has expired. Under the rule, the bill is considered as having been read for amendment. No amendments are in order to the bill except amendments offered by direction of the Committee on Ways and Means.

The Clerk will now report the first committee amendment as printed in the reported bill.

The Clerk read as follows:

Page 9, line 16, strike out "State" and insert: "State,".

The CHAIRMAN. Without objection, the committee amendment is agreed to.

There was no objection.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 45, line 8, strike out "(13)" and insert: "(3)".

The CHAIRMAN. Without objection, the committee amendment is agreed to.

There was no objection.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 67, line 25, strike out "Senate)" and insert: "Senate),".

The CHAIRMAN. Without objection, the committee amendment is agreed to.

There was no objection.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 68, lines 1 and 2, strike out "a two-thirds vote" and insert: "the affirmative vote of a majority of the authorized membership".

The CHAIRMAN. Without objection, the committee amendment is agreed to.

There was no objection.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 72, strike out line 14 and all that follows through line 8 on page 77.

The CHAIRMAN. Without objection, the committee amendment is agreed to.

There was no objection.

The CHAIRMAN. Are there further committee amendments?

Mr. MILLS. There are no further committee amendments, Mr. Chairman.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. BOLLING, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes, pursuant to House Resolution 712, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. MASON. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. MASON. I think everyone understands that he is, Mr. Speaker.

The SPEAKER. What the gentleman says may be correct, but the gentleman understands that he must qualify to offer the motion.

Mr. MASON. I understand that, Mr. Speaker.

The SPEAKER. The gentleman qualifies.

The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. MASON moves to recommit the bill (H.R. 11970) to the Committee on Ways and Means with instructions to report the same back to the House forthwith with the following amendment:

Strike out all after the enacting clause and insert: "That the period during which the President is authorized to enter into foreign trade agreements under section 350 of the Tariff Act of 1930, as amended (19 U.S.C., sec. 1351), is hereby extended from the close of June 30, 1962, until the close of June 30, 1963."

Mr. MILLS. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

Mr. MASON. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 171, nays 253, not voting 13, as follows:

[Roll No. 134]

YEAS—171

Abbitt	Church	Harvey, Ind.
Abernethy	Clancy	Harvey, Mich.
Adair	Collier	Hays
Alexander	Colmer	Hiestand
Alger	Conte	Hoeven
Andersen, Minn.	Cramer	Hoffman, Ill.
Anderson, Ill.	Cunningham	Ichord, Mo.
Andrews	Curtin	Jarman
Arends	Dague	Jensen
Ashbrook	Davis, James C.	Johansen
Auchincloss	Derounian	Jonas
Avery	Derwinski	Kearns
Ayres	Devine	Kilburn
Baring	Dole	King, N.Y.
Battin	Dominick	Kitchin
Becker	Dowdy	Knox
Beckworth	Durno	Kyl
Beermann	Ellsworth	Laird
Belcher	Fenton	Langen
Bennett, Mich.	Findley	Latta
Berry	Fisher	Lennon
Betts	Fogarty	Lipscomb
Bolton	Ford	McCulloch
Bow	Garland	McDonough
Boykin	Gary	McIntire
Bray	Gavin	McMillan
Bromwell	Glenn	MacGregor
Brown	Gonzalez	Martin, Mass.
Broyhill	Goodell	Martin, Nebr.
Bruce	Goodling	Mason
Burleson	Gross	May
Byrnes, Wis.	Gubser	Meader
Casey	Haley	Miller, N.Y.
Cederberg	Hall	Milliken
Chamberlain	Halleck	Minshall
Chenoweth	Harrison, Wyo.	Monagan
Chiperfield	Harsha	Moore
Moorehead, Ohio	Roudebush	Taber
Mosher	Rousselot	Taylor
Nelsen	Rutherford	Teague, Calif.
Nygaard	St. George	Teague, Tex.
O'Konski	Saylor	Thomson, Wis.
Ostertag	Schadeberg	Tuck
Passman	Schenck	Utt
Pelly	Scherer	Van Pelt
Pillion	Schneebeli	Van Zandt
Pirnie	Schweiker	Waggonner
Poff	Seely-Brown	Westland
Purcell	Shipley	Whalley
Ray	Short	Wharton
Reifel	Shriver	Whitener
Rhodes, Ariz.	Sikes	Whitten
Riehlman	Siler	Williams
Riley	Smith, Calif.	Wilson, Calif.
Rivers, S.C.	Smith, Va.	Wilson, Ind.
Roberts, Tex.	Staggers	Winstead
Rogers, Tex.	Steed	Younger

NAYS—253

Addabbo	Green, Oreg.	Norrell
Addonizio	Green, Pa.	O'Brien, Ill.
Albert	Griffin	O'Brien, N.Y.
Anfuso	Griffiths	O'Hara, Ill.
Ashley	Hagan, Ga.	O'Hara, Mich.
Ashmore	Hagen, Calif.	Olsen
Aspinall	Halpern	O'Neill
Bailey	Hansen	Osmers
Baker	Harding	Patman
Baldwin	Hardy	Perkins
Barrett	Harris	Peterson
Barry	Harrison, Va.	Pfost
Bass, N.H.	Healey	Philbin
Bass, Tenn.	Hébert	Pike
Bates	Hechler	Pilcher
Bell	Hemphill	Poage
Bennett, Fla.	Henderson	Powell
Blatnik	Herlong	Price
Boggs	Holifield	Pucinski
Boland	Holland	Quie
Bolling	Hosmer	Rains
Bonner	Huddleston	Randall
Brademas	Hull	Reece
Breeding	Inouye	Reuss
Brewster	Jennings	Rhodes, Pa.
Brooks, Tex.	Joelson	Rivers, Alaska
Broomfield	Johnson, Calif.	Roberts, Ala.
Buckley	Johnson, Md.	Robison
Burke, Ky.	Johnson, Wis.	Rodino
Burke, Mass.	Jones Ala.	Rogers, Colo.
Byrne, Pa.	Jones, Mo.	Rogers, Fla.
Cahill	Judd	Rooney
Cannon	Karsten	Roosevelt
Carey	Karth	Rosenthal
Celler	Kastenmeier	Rostenkowski
Chelf	Kee	Roush
Clark	Keith	Ryan, Mich.
Coad	Kelly	Ryan, N.Y.
Cohelan	Keogh	St. Germain
Cook	Kilgore	Santangelo
Cooley	King, Calif.	Schwengel
Corbett	King, Utah	Scott
Corman	Kirwan	Scranton
Curtis, Mo.	Kluczynski	Selden
Daddario	Kornegay	Shelley
Daniels	Kowalski	Sheppard
Davis, John W.	Kunkel	Sibal
Dawson	Landrum	Sisk
Delaney	Lane	Slack
Dent	Lankford	Smith, Iowa
Denton	Lesinski	Smith, Miss.
Diggs	Libonati	Spence
Dingell	Lindsay	Springer
Donohue	Loser	Stafford
Dooley	McDowell	Stephens
Dorn	McFall	Stratton
Downing	Macdonald	Stubblefield
Doyle	Mack	Sullivan
Dulski	Madden	Thomas
Dwyer	Magnuson	Thompson, N.J.
Edmondson	Mahon	Thompson, Tex.
Elliott	Mailliard	Thornberry
Everett	Marshall	Toll
Evins	Mathias	Tollefson
Fallon	Matthews	Trimble
Farbstein	Merrow	Tupper
Fascell	Michel	Udall, Morris K.
Feighan	Miller, Clem	Ullman
Finnegan	Mills	Vanik
Fino	Moeller	Vinson
Flynt	Montoya	Wallhauser
Forrester	Moorhead, Pa.	Walter
Fountain	Morgan	Watts
Frazier	Morris	Weaver
Frelinghuysen	Morrison	Weis
Friedel	Morse	Wickersham
Fulton	Moss	Widnall
Gallagher	Moulder	Willis
Garmatz	Multer	Wright
Gathings	Murphy	Yates
Giaimo	Murray	Young
Gilbert	Natcher	Zablocki
Granahan	Nedzi	Zelenko
Grant	Nix	
Gray	Norbald	

NOT VOTING—13

Alford	Hoffman, Mich.	Miller, George P.
Blitch	Horan	Saund
Curtis, Mass.	McSween	Thompson, La.
Davis, Tenn.	McVey	
Flood		

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Alford for, with Mr. George P. Miller against.

Mr. McVey for, with Mr. Curtis of Massachusetts against.

Until further notice:

Mr. McSween with Mr. Horan.

Mr. Flood with Mr. Hoffman of Michigan.

Mrs. KEE and Mr. SLACK changed their vote from "yea" to "nay."

Mr. SHIPLEY and Mr. RHODES of Arizona changed their vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. MILLS. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 299, nays 125, not voting 13, as follows:

[Roll No. 135]

YEAS—299

Abbitt	Davis, James C.	Harding
Abernethy	Davis, John W.	Hardy
Addabbo	Dawson	Harris
Addonizio	Delaney	Harrison, Va.
Albert	Denton	Harvey, Mich.
Anfuso	Derounian	Healey
Arends	Derwinski	Hébert
Ashley	Diggs	Hechler
Ashmore	Dingell	Hemphill
Aspinall	Dole	Henderson
Auchincloss	Donohue	Herlong
Avery	Dooley	Holifield
Bailey	Dorn	Holland
Baker	Downing	Hosmer
Baldwin	Doyle	Huddleston
Barrett	Dulski	Hull
Barry	Dwyer	Inouye
Bass, N.H.	Edmondson	Jennings
Bass, Tenn.	Elliott	Joelson
Bates	Ellsworth	Johnson, Calif.
Beckworth	Everett	Johnson, Md.
Bell	Evins	Johnson, Wis.
Bennett, Fla.	Fallon	Jones Ala.
Blatnik	Farbstein	Jones, Mo.
Boggs	Fascell	Judd
Boland	Feighan	Karsten
Bolling	Findley	Karth
Bolton	Finnegan	Kastenmeier
Bonner	Fino	Kee
Brademas	Flynt	Keith
Breeding	Ford	Kelly
Brewster	Forrester	Keogh
Bromwell	Fountain	Kilgore
Brooks, Tex.	Frazier	King, Calif.
Broomfield	Frelinghuysen	King, Utah
Broyhill	Friedel	Kirwan
Buckley	Fulton	Kitchin
Burke, Ky.	Gallagher	Kluczynski
Burke, Mass.	Garmatz	Kornegay
Byrne, Pa.	Gary	Kowalski
Byrnes, Wis.	Gathings	Kunkel
Cahill	Giaimo	Landrum
Cannon	Gilbert	Lane
Carey	Gonzalez	Langen
Celler	Goodell	Lankford
Chamberlain	Granahan	Lennon
Chelf	Grant	Lesinski
Clark	Gray	Libonati
Coad	Green, Oreg.	Lindsay
Cohelan	Green, Pa.	Loser
Conte	Griffin	McDowell
Cook	Griffiths	McFall
Cooley	Gubser	Macdonald
Corbett	Hagen, Calif.	MacGregor
Corman	Hagan, Ga.	Mack
Curtin	Halleck	Madden
Curtis, Mo.	Halpern	Magnuson
Daddario	Hansen	Mahon
Daniels	Harsha	Mailliard
Marshall	Poage	Shriver
Mathias	Poff	Sibal
Matthews	Powell	Sisk
Meader	Price	Slack
Merrow	Pucinski	Smith, Iowa
Michel	Purcell	Smith, Miss.
Miller, Clem	Quie	Smith, Va.
Miller, N.Y.	Rains	Spence
Milliken	Randall	Springer
Mills	Reece	Stafford
Minshall	Reuss	Stephens
Montoya	Rhodes, Pa.	Stratton
Moorhead, Pa.	Riehlman	Stubblefield
Morris	Rivers, Alaska	Sullivan
Morrison	Roberts, Ala.	Taylor
Morse	Roberts, Tex.	Teague, Calif.
Mosher	Robison	Thomas
Moss	Rodino	Thompson, N.J.
Moulder	Rogers, Colo.	Thompson, Tex.
Multer	Rogers, Fla.	Thornberry
Murphy	Rogers, Tex.	Toll
Murray	Rooney	Trimble
Natcher	Roosevelt	Tuck
Nedzi	Rosenthal	Tupper
Nelsen	Rostenkowski	Udall, Morris K.
Nix	Roush	Ullman
Norblad	Rutherford	Vanik
Norrell	Ryan, Mich.	Vinson
Nygaard	Ryan, N.Y.	Wallhauser
O'Brien, Ill.	St. Germain	Walter
O'Brien, N.Y.	Santangelo	Watts
O'Hara, Ill.	Schenck	Weaver
O'Hara, Mich.	Schneebeli	Weis
O'Neill	Schweiker	Wickersham
Osmers	Schwengel	Widnall
Ostertag	Scott	Willis
Patman	Scranton	Wright
Perkins	Selden	Yates
Peterson	Shelley	Zablocki
Pfost	Sheppard	Zelenko
Pike	Short	

NAYS—125

Adair	Gavin	Pelly
Alexander	Glenn	Philbin
Alger	Goodling	Pillion
Andersen, Minn.	Gross	Pirnie
	Haley	Ray
Anderson, Ill.	Hall	Reifel
Andrews	Harrison, Wyo.	Rhodes, Ariz.
Ashbrook	Harsha	Riley
Ayres	Harvey, Ind.	Rivers, S.C.
Baring	Hays	Roudebush
Battin	Hiestand	Rousselot
Becker	Hoeven	St. George
Beermann	Hoffman, Ill.	Saylor
Belcher	Ichord, Mo.	Schadeberg
Bennett, Mich.	Jarman	Scherer
Berry	Jensen	Seely-Brown
Betts	Johansen	Shipley
Bow	Jonas	Sikes
Boykin	Kearns	Siler
Bray	Kilburn	Smith, Calif.
Brown	King, N.Y.	Staggers
Bruce	Knox	Steed
Burleson	Kyl	Taber
Casey	Laird	Teague, Tex.
Cederberg	Latta	Thomson, Wis.
Chenoweth	Lipscomb	Tollefson
Chiperfield	McCulloch	Utt
Church	McDonough	Van Pelt
Clancy	McIntire	Van Zandt
Collier	McMillan	Waggonner
Colmer	Martin, Mass.	Westland
Cramer	Martin, Nebr.	Whalley
Cunningham	Mason	Wharton
Dague	May	Whitener
Dent	Moeller	Whitten
Devine	Monagan	Williams
Dominick	Moore	Wilson, Calif.
Dowdy	Moorehead, Ohio	Wilson, Ind.
Durno		Winstead
Fenton	Morgan	Young
Fisher	O'Konski	Younger
Fogarty	Olsen	
Garland	Passman	

NOT VOTING—13

Alford	Horan	Saund
Blitch	McSween	Thompson, La.
Curtis, Mass.	McVey	
Davis, Tenn.	Miller, George P.	
Flood		
Hoffman, Mich.	Pilcher	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. George P. Miller for, with Mr. Alford against.

Mr. Curtis of Massachusetts for, with Mr. McVey against.

Until further notice:

Mr. Davis of Tennessee with Mr. Horan.

Mr. McSween with Mr. Hoffman of Michigan.

Mr. KYL changed his vote from "yea" to "nay."

Mr. PETERSON changed his vote from "nay" to "yea."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. MILLS. Mr. Speaker, I ask unanimous consent that Members desiring to do so may have 5 legislative days in which to extend their remarks in the body of the RECORD just prior to completion of proceedings in the Committee on the Whole on the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

SUGAR ACT AMENDMENTS OF 1962

Mr. COOLEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 12154) to amend and extend the provisions of the Sugar Act of 1948, as amended, with Senate amendments thereto, disagree to the Senate amendments, insist on the position of the House, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. HAYS. Mr. Speaker, reserving the right to object, I would like to ask the gentleman from North Carolina if this means we are going to stagger around here all night Saturday waiting for him to get his way with the Senate, as we have in years past?

Mr. COOLEY. I hope it will not be necessary for us to be in session Saturday night. I have no control over that.

Mr. HAYS. All right. In that case, I object.

EXPORT CONTROL ACT OF 1949

Mr. PATMAN submitted the following conference report and statement on the bill (S. 3161) to provide for continuation of authority for regulation of exports, and for other purposes:

CONFERENCE REPORT (H. REPT. No. 1949)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 3161) to provide for continuation of authority for regulation of exports, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following: "That section 12 of the Export

ened closure of a home that houses 48 aged veterans. I am low in spirit. I have the sense that when the District appropriations bill was before us, I failed my comrades of the War with Spain who in this age and need find shelter in Washington's Temporary Home for Veterans of all wars. I failed them by my silence because I was not informed that provision for the maintenance of the Home was not included in the District's budget.

I hope that the other body will restore the item and that the conferees from this body, responding to the impulses of hearts of gold, will acquiese.

Forty-eight old men, who in their youth fought to make our country great and strong, threatened with eviction from the only roof they have to shelter them. This is not in the spirit of the fine, beautiful, clean Capital of my country that I love. I would have it not only a city of grandeur, beauty and inspiring monuments in reminder of our glorious past, but as well a city of heart in which the veterans of our wars always will find reflected the eternal gratitude of the Republic.

CORRECTION OF THE RECORD

Mr. ROONEY. Mr. Speaker, on page 11128 of the RECORD of yesterday, June 27, 1962, in line 5, following the word "editorial" there should have been included the words "published in last night's Washington Evening Star."

Mr. Speaker, I ask unanimous consent that the permanent RECORD and Journal be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

COMMITTEE ON RULES

Mr. SMITH of Virginia. Mr. Speaker, for the information of the members of the Committee on Rules and those interested in the sugar bill, the Committee on Rules at 10:30 in the morning will consider the application for a rule to send the sugar bill to conference.

SUPREME COURT DECISION ON PUBLIC SCHOOL PRAYER

(Mr. WHITENER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. WHITENER. Mr. Speaker, I share the concern that many Members of Congress and thousands of people throughout the country have expressed over the decision made by the Supreme Court with reference to prayer in our public schools.

Two great newspapers in my congressional district, the Shelby Daily Star at Shelby, N.C., and the Gastonia Gazette at Gastonia, N.C., carried editorials on June 26, 1962, the contents of which point up the serious error which I believe the Court made.

I request that the editorials be inserted at this point in the RECORD as a part of my remarks.

[From the Gastonia Gazette, June 26, 1962]

PLEDGE TO FLAG—WILL IT GO NEXT?

"One Nation, under God, with liberty and justice for all." Thus do the American people pledge allegiance to their flag. We feel that it is noteworthy that they stop to recognize in their pledge that this is God's Nation.

This is a pledge repeated by every school child and every civic club. One cannot help but wonder how much longer school children will be permitted to repeat this patriotic pledge. After all, they are no longer permitted to pray even an interdenominational prayer. The edict of the Supreme Court of the United States yesterday was not quite as broad in scope as our last statement implies, but the implication was there—the Government has no business, according to the nine wise men occupying the highest bench of our land, promoting religion. It necessarily follows, then, that the schools, being a governmental agency, should not state in any form any belief in the Almighty. They long ago ruled that no school could hold a Bible-study period.

How long will it be until the Senate and the House won't be able to open their sessions with prayer? They do, after all, represent all of the people, some of whom are apparently atheistic, and they would be misappropriating taxpayers' money to hire a chaplain for either legislative body.

Certainly the church should never control the state. That's one of the things our ancestors fled from in the Old World. Yet, must we as a people deny the existence of God? Or, worse still, must we, knowing His existence and His might, remain silent about it?

This strikes us as being wrong. It is wrong in its inception. It is basically and fundamentally wrong. No nation on earth has ever owed so much to the Almighty and yet paid so little tribute.

By disagreeing with the esteemed Justices of our High Court, we do not sit in judgment on them, for their decision was but a reflection of the moral turpitude of a Nation. Along with the gradual decline of respect for the individual has come a spiritual decline. As the Federal Government becomes the all-important focal point for our lives, we tend to forget God. As people look more and more to Washington, they look less and less heavenward. Mr. Khrushchev makes no bones about it—he knows the direction in which we are headed. What is to stop it? Some may look to Washington, but we can only cry "God help us all."

[From the Shelby Daily Star, June 26, 1962]

THE HIGH COURT CANNOT TAKE GOD FROM AMERICA'S HERITAGE

The U.S. Supreme Court has attempted to take this Nation from under the province of God Almighty.

A decision, calling a nonsectarian school prayer unconstitutional, is bitterly offensive to those of us who believe that "for God and country" is the right philosophy and that the doctrine of separation of church and state does not imply separation of God and state.

God is in the heritage of America and no secular court can take this away.

Our forefathers, escaping the tyranny of Great Britain's colonial administration, noted that "man is endowed by his Creator with certain inalienable rights." Thus was the Creator placed first in the heritage of our fredeom and the stanch signers of the Declaration of Independence did not hesitate to strike their names into history under that pledge.

The President of the United States when he takes the oath of office "swears (or affirms) before God" and no American President has backed away from that oath, which incidentally is administered by the Chief Justice of the Supreme Court.

No money is legal tender in this Nation unless it carries the time-honored motto "In God We Trust."

Congress opens each session with a prayer and prayers are an integral part of the opening ceremonies of the conventions of both great parties.

Indeed, the Supreme Court itself confirms the sovereignty of God Almight in the bailiff's opening cry.

The pledge of allegiance to the flag, by an act of Congress, now contains the phrase "one nation under God."

These are legal, traditional, and utterly plain examples of how this Nation has officially recognized the sovereignty of God.

The drafters of the Constitution, with the excesses of the Spanish Inquisition and the church wars of England fresh in their minds, provided in the first amendment that "Congress shall make no law respecting the establishment of religion, or prohibiting the free exercise thereof."

This was to guarantee that no U.S. citizen would be required to pay taxes and support a church established by the State. Nor would a law be passed denying his privilege to exercise the faith of his choosing.

There is no intent in the first amendment to establish a godless state.

Adults may know this and appreciate it. Children must be taught it. The Supreme Court decision may itself have violated the first amendment because it abridges the right of conscientious school officials to place a clear example of faith in the Almighty before impressionable young students.

The six Justices—and thank heaven there was a dissenter—may well believe they have interpreted correctly the letter of the law. We know in our hearts that they have violated the spirit of it.

We know, too, that millions of Americans, including parents, teachers, and students will continue to bow daily before a power greater than the Supreme Court, the Congress, or the President.

Because this Nation, under God, may remain indivisible. In a godless state we will surely perish.

(Mrs. GREEN of Oregon asked and was given permission to extend her remarks at this point in the RECORD and to include extraneous matter.)

[Mrs. GREEN of Oregon's remarks will appear hereafter in the Appendix.]

(Mr. LANE asked and was given permission to extend his remarks at this point in the RECORD.)

[Mr. LANE'S remarks will appear hereafter in the Appendix.]

(Mr. TOLLEFSON asked and was given permission to extend his remarks at this point in the RECORD.)

[Mr. TOLLEFSON'S remarks will appear hereafter in the Appendix.]

(Mr. HUDDLESTON asked and was given permission to extend his remarks at this point in the RECORD.)

[Mr. HUDDLESTON'S remarks will appear hereafter in the Appendix.]

TRADE AND FADE

(Mr. DENT asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. DENT. Mr. Speaker, much has been said and written on the labor views on this trade legislation. The facts are often clouded by the manner in which the reporting of these views is presented to the public.

There is no question as to the position of the top leaders of labor representing the AFL–CIO. However, it would be a serious error to say that labor as a whole endorses this legislation as written. In fact, the position of the Manufacturers Association, the chamber of commerce, the Farm Bureau, the AFL–CIO have been pictured as being whole heartedly behind this bill before us.

It is interesting to note that there is no way that a person can vote for this legislation under a closed rule that will not be in disagreement with some if not all of the above-named organizations.

For the RECORD, I quote the position of the Pennsylvania Manufacturers Association followed by the position of the AFL–CIO as of this past week.

Also, for the RECORD, I present individual union, industry, and personal views as expressed on the proposed trade act:

PENNSYLVANIA MANUFACTURERS' ASSOCIATION,
Philadelphia, Pa., June 20, 1962.

Re H.R. 11970.
Hon. JOHN H. DENT,
House Office Building,
Washington, D.C.

DEAR JOHN: It is our understanding that the foreign trade bill (H.R. 11970) will be scheduled for House floor action the week beginning June 25. Our association and its 10,000 members are deeply troubled and concerned with the provisions in title III of this bill which sets up special Federal unemployment benefits for unemployed workers, retraining of such workers, and assistance to firms certified as damaged by increased imports.

According to the bill as reported by the Ways and Means Committee, workers unemployed because of increased imports would receive 65 percent of their weekly earnings up to 65 percent of the average national industrial wage. Maximum benefits would be around $61 a week. Benefits would continue for 52 weeks and can be extended another 26 weeks if the person is undergoing retraining or is over 60 years of age.

In contrast, a domestic worker who becomes unemployed because his employer might be a supplier to a firm closed down by foreign imports, is limited to State unemployment compensation. If he is located in Pennsylvania, the maximum allowable is $40 a week for 30 weeks.

If both types of unemployed workers were to take retraining, the difference is even more pronounced.

The individual taking the training under the foreign trade bill would receive $61 a week for as long as 1½ years. The other worker under the Manpower Development and Training Act passed by Congress earlier this year would only be entitled to benefits equal to the average of the last quarterly State unemployment compensation benefit payment. Under current conditions in Pennsylvania, this would amount to about $32 a week for 52 weeks.

We believe that it is a grave injustice to unemployed domestic workers when preferential treatment is accorded to workers who become unemployed because of foreign imports.

We therefore exhort you to carefully consider this highly discriminatory feature in H.R. 11970. We will sincerely appreciate your support to have this section (title III) of the bill deleted.

Thank you very much for your courtesy and attention to this very important Federal legislation.

Sincerely yours,
JOHN H. SEETON,
Secretary.

AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS,
Washington, D.C., June 19, 1962.

Hon. JOHN H. DENT,
House Office Building,
Washington, D.C.

DEAR MR. DENT: The proposed Trade Expansion Act of 1962, one of the most crucial issues to come before this session of the Congress, will be debated on the House floor within the next few days.

The AFL–CIO has strongly supported granting the President expanded authority to adjust tariffs in order to insure expansion of our trade with the Common Market and with other friendly nations.

A most important section of H.R. 11970 would provide trade adjustment assistance to firms and workers who may be adversely affected by import competition. Firms would receive loans, tax advantages, and technical assistance to modernize or to enter new lines of production. Workers who lose their jobs would receive retraining, relocation allowances and trade readjustment allowances up to 65 percent of their average weekly wages for at least 52 weeks.

The AFL–CIO believes that adversely affected workers and firms deserve special Federal protection, since injury would occur only because the Congress and the President had made a conscious decision in the interests of the Nation as a whole. These workers and firms should not be made to bear the burden alone.

It is believed that a motion to recommit will be made with instructions to cut down or eliminate trade adjustment assistance. Adoption of such a motion would be unconscionable.

In his testimony on this bill, AFL–CIO President George Meany said:

"Let me say again that we regard these two features of the bill—trade liberalization and the safeguards against injury, especially adjustment assistance—as inseparable. We would not support additional safeguards without trade liberalization; and we would not support trade liberalization without the additional safeguards."

The AFL–CIO therefore urges you to oppose the motion to recommit with instructions.

Sincerely yours,
ANDREW J. BIEMILLER,
Director, Department of Legislation.

Mr. Speaker, you will note that there is no basis for compromise between these views. Let us go further and see what various international unions have had to say about this legislation in convention assembled:

EXCERPTS FROM AFL–CIO DEBATE ON FOREIGN TRADE RELATIONS, DECEMBER 11, 1962, BIENNIAL CONVENTION AT MIAMI BEACH, FLA.—PROCEEDINGS: PAGES 51–67, THIRD DAY

Mr. E. L. Wheatley, president, International Brotherhood of Operative Potters:

"We are not anti to any foreign nation. We are anti to having the rights of Congress turned over to the State Department.

"You can talk of giving money to help distressed people and train them to come into new industries. * * * We do not think that program will get there in time to do any good in the way of offering relief for our people.

* * * * *

"But you people remember how long it takes the American labor movement to even raise the minimum rate here, and that is too long * * * to assume that the pottery workers and the other thousands and millions of workers who are being deprived of their job opportunities are going to sit and wait on the relief lines while some labor organization in these other nations brings up a decent minimum."

Mr. George Baldanzi, president, United Textile Workers:

"We are not for isolation. We believe in reciprocal trade. But our definition of reciprocity is that we will supply nations with products that they do not have, and we will buy from them products which we need and we do not have.

"We do not interpret reciprocal trade to be a concept under which we will permit low-wage areas or no-wage areas to destroy the economy of entire industries in this country, merely for the purpose of having friends.

* * * * *

"With due respect to President Kennedy, who I firmly believe has a feeling and a grasp of the problems of the world, I do not believe in the principle that we should give to any President the right as an individual to wipe out any kind of tariff or controls as an individual administrative act, because who may be President today may be one type of personality. Who may be President tomorrow or 5 years from now may be a completely different personality.

"When there are corporate interests * * * investing millions of dollars in the Common Market of Europe, that are establishing plants that are more modern than ours today, unless we get some safeguard against wholesale importation into this country, there is no guarantee that 5 years from now these same automated factories that are being built in many parts of the world * * * will not curtail operations in this country and dump all the cheap goods right back here in the United States."

* * * * *

Mr. Enoch Rust, vice president, United Glass & Ceramic Workers:

"Well, I went to Washington and I didn't have to stay long until I found that we did not have a trade program based on the law as written, the reciprocal trade program of 1934 and amended several times thereafter.

* * * * *

"Why are we excited? There was enough window glass imported in 1959 and 1960 to furnish over 4 million six-room dwellings. * * * In that period of time (1959 and 1960) over a million automobiles were imported into this country carrying 30 million square feet of glass and carrying 5 million rubber tires replacing thousands of rubber workers, thousands of glassworkers, thousands of textile workers, and thousands of automobile workers.

* * * * *

"We were told by Khrushchev that he was going to bury us economically. What did we do to help him do it? We gave him a spade to dig the hole with and to throw the dirt in our face."

Mr. George Burdon, president, United Rubber, Cork, Linoleum & Plastic Workers:

"In the rubber industry we are experiencing a serious challenge from the growing imports of rubber footwear. * * * Imports totaled 50 million pairs in 1959 and doubled to 100 million pairs in 1960.

* * * * *

"We have an average of $2.50 an hour versus an average in some other countries of 23 cents an hour. We cannot compete with that kind of competition."

Mr. George Fecteau, president, United Shoe Workers of America:

"In 1949 we imported 3 million pairs of shoes. * * * We exported 6 million pairs.

"Last year, 1960, we imported 30 million pairs * * * and our exports had dropped to 3 million pairs to all countries, so that the

balance we have been speaking about certainly is not in favor of the shoe industry.

"Many of our companies in the shoe industry—the large companies, those who can afford to move—have moved to Japan. They have moved to Italy. They have moved to other foreign countries. Many of them have closed shoe factories here in the United States. * * * These companies are moving for profit reasons.

* * * * *

"We have estimated that unless some protection * * * comes about * * * the shoe industry here will become extinct as the dodo bird within 8 years.

* * * * *

"It is suggested that the people employed in those industries can go to other industries. As one who has been in the field and has seen factory after factory close down, and has seen the efforts of our union and these workers to place themselves in industry, I know that such talk is a lot of damned foolishness. It is not practical or just."

Mr. William Pollock, president, Textile Workers of America:

"Since 1934 we have been for reciprocal trade; but we feel as an industry and as representatives of the workers in that industry that we should not be offered up as a sacrifice on the altar of international trade.

"You know, it is all very well to be for international trade, but we represent workers * * * and they are told that in the interest of international trade we must accept the imports from other nations, and 'To protect you we will retrain you and prepare you to go into some other industry.' Well, I think this is fine, it is as it should be.

"But when you get an individual that has spent 20 or 30 years learning a skill * * * only to find his job shipped to some other nation and he is to be trained to go, maybe to the electronic industry, where they are barely paying a minimum wage, it is pretty hard to convince him that this is a sacrifice he must make in the interest of world peace.

* * * * *

"I know that in 1962 when we have to elect a full Congress, if the representatives of our unions go to a Congressman in that congressional district and find that he is going to vote for a liberal trade program that will export their jobs to Europe, that he cannot count on their votes to send him back to Washington."

Mr. George Meany, president, AFL–CIO:

"If you read this resolution carefully, you will see that we are setting forth stipulations that we feel should go in this legislation.

* * * * *

We call for retention of the escape clause provision in the new legislation, and then I would like to point to section 4 of the proposed resolution, that: The new legislation should direct the President to take whatever action is necessary to mitigate problems of market disruption.

"To all these organizations, I can say to you that when the legislation comes up * * * that our legislative department, our research department, our economists, and everybody concerned will cooperate with these organizations and try to get in the legislative safeguards to protect them to the maximum extent that is possible.

"But we cannot * * * depart from the idea of a reciprocal trade pact with the other nations of the world."

Mr. George Harrison, chairman of the resolutions committee:

"This resolution goes further than any other trade policy resolution adopted by this federation, in the direction of protecting our industries against undue hardship because of reciprocal trade agreements.

* * * * *

"If you will look at paragraph 6 and you will find that it says: 'In all phases of tariff and trade policy, the U.S. Government should seek to safeguard the absolute historic levels of production of significant industries.'

"Now that means only one thing. Certainly imports shall not be permitted to the point where they cause serious injury to any of our historic industries."

The resolution was carried.

Mr. Speaker, the same theme runs through all of the foregoing correspondence. It seems to say over and over again, "We are for reciprocal, we are for expanded, we are for free trade but."

Therein lies the trouble. The but, if analyzed and each exception written into the bill, there would be no trade bill pass this House this week. The Members would find themselves forced to make a decision between the conflicting desires of the various supporters. Under the closed rule all this is put under the rug, and we can, if we so desire, vote under the the protective covenant of a closed rule.

Personally, this proves again that where our own interests are at stake we are just the same as glassworkers, tile workers, coal miners and others who are accused of being protectionists because they, too, are fighting for the one thing that matters in our economy—a job, whether it be as a Congressman or a textile worker.

The issue, being resolved today, has had little or no factual presentation, item by item, industry by industry, and yet the acknowledged injury already inflated and the added injury proposed is important enough to make injury relief the main bone of contention between labor and management leaders.

In this regard, the following correspondence from individual industries and domestic producers of what might be termed "expendetile" items should be placed before the Congress at this time:

INTERNATIONAL MOLDERS &
ALLIED WORKERS UNION,
Cincinnati, Ohio, May 24, 1962.

To the Officers and Members of the Several Subordinate Unions, Greeting:

I am writing this letter to every local union because the jobs of our members are at stake and we must do everything possible to save these jobs.

Foreign trade bill (H.R. 9900) is pending before Congress. This bill would give the President the right to lower and even to abolish tariffs. There has been a lot of talk about how this bill will improve the job situation through free trade. I am not concerned about such speculative talk. What I am concerned about is the fact that in the first 3 months of this year some 8,600 tons of soil pipe have been dumped in this country by foreign countries where wage scales and working conditions are far inferior to ours. That is more than 50 percent of soil pipe imports for all of last year. It means a loss of about 20,000 man-days of employment in the industry during the first 3 months of this year alone.

If H.R. 9900 becomes law, the soil pipe industry may well cease to exist in this country and I can only guess at how many foundries will be forced to the wall and out of business.

There is in the bill a so-called peril point escape clause through which some tariff relief can be obtained if an industry is in danger of extinction in this country because of the dumping of imports. The President wants that clause out of the bill. With that clause out, there is no way to even try to save certain industries.

This is a most serious situation that confronts us and we must not sit on our hands while our jobs are taken out from under us through destruction of our industry. We can do something about it because we are the voters of this country. Our representatives in Congress will listen to us if we tell them what we think.

I ask every local union and member of the International Molders' and Allied Workers' Union to take about 5 minutes of their time and write to their Congressman and Senator, telling them, in their own words, that they are opposed to H.R. 9900 and particularly are they opposed to any attempt to take the peril point escape clause out of the bill.

Fraternally yours,

WM. A. LAZZERINI,
President.

SOIL PIPE IMPORTS

ALABAMA PIPE CO.,
DIVISION OF WOODWARD IRON CO.,
Anniston, Ala., June 11, 1962.

Mr. H. E. ROBERTSON.
Mr. HAROLD SLANE.
Mr. VINCENT GERACE.
Mr. J. W. STRUVE.
Mr. D. E. SHAW.
Mr. J. M. ORRISON.
Mr. W. R. BOND.
Mr. C. A. HAMILTON.

Attached is tabulation of soil pipe and fittings imports, by countries of origin and ports of entry, as reported by the U.S. Department of Commerce, for the first quarter of 1962.

The first quarter for 1962 showed an increase of 160 percent over the first quarter of 1961, whereas the month of March 1962, only increased 81.7 percent over March 1961.

Shipments from France fell off considerably in March, whereas shipments from Mexico and India increased considerably. The imports of fittings from Mexico, during March, was more than the amount imported during the 2 previous months. The same holds true for the imports from India.

The west coast still is bearing the brunt of the pressure from imported material with 62.68 percent of the total going into these ports during the first quarter and approximately 70 percent of the March imports came into the west coast compared to 59.3 percent for the first 2 months of the year.

The average declared value of the imports during March was $101.83, compared to the average declared value of $103.77 per ton for March of 1961, and $105.77 for the first quarter of 1962. This would seem to indicate that the February price drop in this country had its expected effect on their declared value. It would be interesting to know if they dropped their prices a corresponding amount in the countries of origin at the same time.

Yours truly,

J. W. PERRY, Jr.

ALABAMA PIPE CO., DIVISION OF WOODWARD IRON CO., ANNISTON, ALA.

Soil pipe imports

	March 1962	March 1961	3 months of 1962	3 months of 1961
Tons	2,890	1,590	9,124	3,510
Increase (percent)	81.7		159.9	
Declared value	$294,316	$165,002	$965,072	$370,336
Dollars per ton	$101.83	$103.77	$105.77	$105.50

Country of origin

	March 1962	Percent	3 months of 1962	Percent
	Tons		*Tons*	
Mexico	296	10.24	551	6.04
United Kingdom	512	17.72	518	5.68
France	1,379	47.72	6,436	70.54
West Germany			39	.43
Australia	188	6.50	652	7.14
India	515	17.82	928	10.17
Total tons	2,890	100.00	9,124	100.00

Ports of entry

	March 1962	Percent	3 months of 1962	Percent
	Tons		*Tons*	
North Atlantic	535	18.51	1,340	14.69
South Atlantic	333	11.52	905	9.92
Gulf			1,109	12.15
West coast	2,022	69.97	5,719	62.68
Puerto Rico			51	.56
Total tons	2,890	100.00	9,124	100.00

Ports of entry

[Included in above figures]

	March 1962	Percent of total	3 months of 1962	Percent of total
New York	535	18.51	969	10.62
Philadelphia			160	1.75
Maryland			211	2.31
Florida	333	11.52	905	9.92
New Orleans			558	6.12
Galveston			160	1.75
Mobile			391	4.38
Los Angeles	1,233	42.66	3,072	33.67
San Francisco	371	12.83	1,890	20.71
San Diego	[1] 296	10.24	[1] 551	6.04
Portland-Seattle	122	4.22	206	2.26

[1] Imports through San Diego same as imports from Mexico which would be soil pipe fittings.

NATIONAL ASSOCIATION OF GLOVE MANUFACTURERS, INC.,
Gloversville, N.Y., June 20, 1962.

Hon. CARLETON KING,
House Office Building,
Washington, D.C.

DEAR CARLETON: I was very sorry I couldn't join you at the meeting last Saturday, but there were just too many pressures, and I couldn't do it. I understand it was a very successful meeting and you did a splendid job.

I am enclosing a copy of a letter that I received from Canada, in which you will note they state there is a 25-percent duty on golf gloves entering that country. This we understand, as it was part of our bargaining arrangement with them under our most favored nation policy.

The second paragraph is the crux of the whole situation, and you will note they add an additional 11-percent sales tax. This is not true of Canada alone, but is true of almost every country with which we negotiate; and our State Department refuses to take this into consideration. They concern themselves only with tariff rates and exclude internal sales taxes, even though they know that such exist.

What possibility do you think there is, when the tariff bill comes before the Congress, of adding a rider to it, having all types of gloves excluded from further tariff reductions for the next 5 years? The bill H.R. 11970.

With best personal regards.

Sincerely yours,

JAMES H. CASEY, Jr.,
Secretary.

NATIONAL REVENUE, CANADA, CUSTOMS AND EXCISE,
REVENU NATIONAL DU CANADA, DOUANES ET ACCISE,
Ottawa, June 18, 1962.

NATIONAL ASSOCIATION OF GLOVE MANUFACTURERS, INC.,
Gloversville, N.Y.

Attention: Mr. James H. Casey, Jr., secretary.

GENTLEMEN: In reply to your letter of the 13th instant, you are advised that men's golf gloves would be classified for customs entry purposes under tariff item 568b(2) and dutiable at 25 percent ad valorem most favored nations tariff when manufactured in and imported from the United States.

In addition to the duty there would be payable the sales tax of 11 percent levied on the customs duty paid value.

Yours truly,

E. HOUGH,
Dominion Customs Appraiser.

Mr. Speaker, again we hear a lot about relief under the escape clause. Anyone who knows the history of trade pacts in the United States knows full well that relief is granted only when the injured party is practically on the death bed of bankruptcy.

The following telegram received this past week shows how commercial the trade policy of foreign countries is, has been, and I regret to say, always will be. This correspondence involves a case before the Tariff Commission at the present time. It is an appeal for a change in the tariff regulations on olives changing the computation of the tariff from a measure by gallonage to a per pound basis. This would of course serve the purpose of the exporting country by eliminating the weight of water now included in the ad valorem tariff charge:

SAN FRANCISCO, CALIF.,
June 19, 1962.

Congressman JOHN H. DENT,
Chairman, Subcommittee on Imports and Exports, U.S. House of Representatives, Washington, D.C.:

Within the last 48 hours, the Tariff Commission has considered a certain provision of the tariff schedule which is the second item listed in annex 1 of their notice of hearing items 148.42—0.50, part 9–B, schedule 1; please be advised that the olive advisory board consisting of several thousand growers and some 20 canners are concerned as to the machination involved in this request. The California Olive Advisory Board is opposed to any reduction in the existing duty for olives in brine for any reason whatsoever. We oppose any further change in the tariff classification for this group of products, and any change in the conversion factors presently being used, either by the Tariff Commission or the Bureau of Customs, or convert the rates of duty (now expressed in terms of gallons) into a pound basis. Our understanding is that the conversion factor now being used is 5.7 pounds per gallon, and that this conversion factor includes the brine.

Obviously, if the conversion factor is changed, it will result in a higher or lower rate of duty per pound, as the case may be. If the conversion factor is increased so that a gallon is considered to hold more pounds than 5.7, clearly the result will be a reduction in the duty per pound. If a change is made to a drained weight basis of conversion, again it is clear that the duty per pound will be reduced.

According to Foreign Crops and Markets for May 31, 1962, published by the Foreign Agricultural Service, U.S. Department of Agriculture, Greece's 1961 table-olive production will probably total 98,500 short tons as compared with 24,000 in 1960, 54,000 in 1959, and 44,000 in 1958. Of this bumper production, exports from Greece are expected to be 23,000 short tons this year, as compared with 12,000 last year, 21,000 in 1959–60, and 11,900 in 1958–59.

With a larger-than-normal supply, it would be quite understandable if the Greek producers who export to this country should suggest an administrative change that would result in reducing the rate of duty, since this would afford a convenient way of lowering the price. It is likewise understandable that the California olive industry is unalter-

ably opposed to such an administrative change.

DARYL HUTCHINS,
Manager, Olive Advisory Board.

SUMMARY STATEMENT OF RALPH F. FREY, PRESIDENT OF AMERICAN WATCH WORKERS UNION, BEFORE THE WAYS AND MEANS COMMITTEE OF THE U.S. HOUSE OF REPRESENTATIVES, 87TH CONGRESS, 2D SESSION, CONGRESS OF THE UNITED STATES, MARCH 21, 1962

Mr. Chairman, members of the committee, we speak for the watchmakers and tool and diemakers who do the work at Hamilton, Elgin, Waltham, and Bulova and we have had experience with the problems before the committee.

What you are now considering has already happened to us. We have the symptoms of economic illness—employment is down from 10,000 to 2,000 on watches—Waltham watch is gone—the Elgin Plant at Lincoln, Nebr., has shut down—Elgin, Hamilton, and Bulova stagger along with meager production schedules and with employees working short time—and our share of the domestic market has shrunk from 40 percent prewar to approximately 8 percent today. This deterioration has occurred despite our demonstrated efficiency and modest tariff protection. Since 1954 the Tariff Commission has found annually that conditions have not sufficiently improved to warrant reducing the protection we now have. We have already made a substantial contribution to free trade. Approximately 92 percent of our domestic market has been made available to our friends overseas.

This bill permits elimination of industrial capabilities. We have three suggested amendments which we think make sense.

First. We urge that this bill incorporate the principle that no industrial capability important to the national interest of the United States shall be eliminated in the course of freeing up trade.

The national interest involves more than help to companies and workers after injury. There will be instances of skills which we should preserve.

Second. We urge that the bill set forth the procedural requirement that the President evaluate an industry prior to elimination and determine, solely on the basis of national interest factors, whether the industrial capability should be eliminated or preserved. We should take a good look before permitting an important capability to expire. An important capability can be eliminated automatically by inaction, or by default without anyone ever looking it over to see if it is needed.

Third. The 1-year limitation on updated earlier proclamations set forth in section 248 (c) (2) should be stricken. There is no justification for treating earlier proclamations which have been kept current by the Tariff Commission any differently from new actions. Further, existing updated cases of injury are hard core situations where there is no more room to give and the industry will either live or die. Also, there is an inference in this 1-year limitation that the Tariff Commission has not done its job. We say the Tariff Commission has done its job and furnished competent updated information and recommendations to the President which he has accepted.

In support of our recommendation that no industrial capability important to our national interest should be automatically eliminated without a prior evaluation, we wish to cite a few factors involved in our situation which we think dictate the conclusion that we should exercise some caution and avoid blind and automatic terminations:

1. This industry has been unable to compete with oversea producers. One obvious reason is the wage differential—one-third of our rates in Europe and one-sixth in Japan—in a product containing 80 to 90 percent labor cost. Despite our efficiency and protection, we deteriorate.

2. All other leading industrial nations of the world, except the United States, have encouraged and extended jeweled-watch production, which the figures below so clearly indicate. Our policy permitting deterioration is in sharp contrast with the rest of the world. Either they are right or we are right, but we both cannot be right:

Switzerland	35,000,000
Russia	26,000,000
Japan	9,000,000
France	7,000,000
West Germany	5,000,000
Great Britain	3,000,000
United States	1,200,000

3. There is nothing to be gained for the free world or our export industries by surrendering what is left of our domestic market.

4. We stand to lose much by elimination of the industry in the space-missile age. The essence of its value is the skill forming the capability of applying extremely close tolerances to very small pieces on a mass production basis. If eliminated it would take substantial money, facilities, tools, machines, training schools, and most importantly time, to put the operation together. If we didn't have it we would be thinking of a crash program to establish it.

5. We have made mistakes before by automatic elimination of important capabilities and had to reestablish them on a priority basis. Before World War II we imported rather than manufactured jewel bearings. When Hitler closed the Swiss border, we had to establish the capability within this industry. After the war, we let the capability die and again imported. Cold war threats have since reawakened the Government and Bulova staffed and now manages a Government jewel-bearing facility at Rolla, N. Dak. Hamilton and Elgin assisted in its development. Today it is national policy for Government contractors to secure jewel bearings from that source in order to build up and maintain that capability.

6. The importance of this industry to national security is well documented in statements from Presidents down to chiefs of procurement bureaus and departments of the armed services. Military and essential civilian requirements for this capability in time of emergency will increase in the future.

7. Experience dictates that we should not rely on oversea sources in time of emergency for skills we now possess. Our Swiss friends have traditionally followed a policy of neutrality. Our other friends overseas have set up this capability for their own defense needs. There is no assurance that they will have any excess over their own needs or that they will even be in operation.

8. The people of the United States have the largest stake in the maintenance of this industry—not the companies or their employees.

In summary, we recomemnd:

1. That the bill incorporate a statement of policy that no industrial capability important to the national interest should be eliminated in the course of freeing up trade.

2. That the bill contain a procedural provision requiring the President to evaluate, after investigation, the capability of an industry likely to be eliminated by the reduction of important restrictions and decide, solely on the basis of national interest factors, whether it should be eliminated or preserved.

3. That the automatic 1-year termination of updated earlier proclamations be stricken from the bill.

Mr. Speaker, every trick in the book is used by every nation to protect their industry, their jobs, and their production whether it is manufactured, farmed, or mined.

I recognize that compared to automobiles, airplanes, trucks, steel, and other major products, olives are just nit on a gnat's back; however, when you remember that out of 67 million Americans earning a living in all areas of industry, service, farming, professions, transportation, and communications, only 6,767,700 workers are employed in the top 200 giants of the top 20 major industries in the United States.

The breakdown of these 20 industries show some interesting figures never brought to light in spite of the millions of dollars spent by the proponents of this legislation.

You can rest assured that when all the expendible workers in glass, coal, autos, tile, and the lowly shirt button industries, to mention a few, are eliminated, the 6,767,700 workers in the big 200 industries will be as dead as dodos because they will have no customers.

Transport equipment	1,300,200
Electrical machinery	99,300
Primary metals	643,300
Petroleum	512,000
Machinery	493,200
Rubber	378,200
Chemicals	398,000
Instruments	167,200
Food	531,200
Textiles	224,700
Fabricated metals	220,200
Paper	189,400
Stone, clay, glass	176,800
Leather	117,800
Lumber	70,500
Tobacco	77,400
Miscellaneous and ordnance	91,800
Printing publications	78,000
Apparel	63,500
Furniture	35,000
Total, 20 industries	6,767,700

I sincerely doubt that many of us have the full concept of the world trade picture. For instance, how many of us realize that the pineapple industry of Hawaii is in trouble, that two of Kauai's three pineapple plantations and canneries are closing. Layoffs have pushed unemployment to 6.5 percent of the labor force. The heavily mechanized sugar plantations continue to whittle down payrolls; only 930 workers till the fields of 1 company where 3,000 once toiled. Many islanders, particularly the young, are leaving for Honolulu or the U.S. mainland to find work; a Kauai County official estimates three-fourths of Kauai's high school graduates leave the island.

Although the economic situation is especially severe here on Kauai, 75 miles northwest of Hawaii's main island of Oahu, its predicament is symptomatic of the problems bedeviling the seven tiny inhabited islands that make up the 50th State.

The Hawaiian pineapple industry is tightening its belt to combat inroads made in markets in recent years by foreign pineapple and other domestic fruits. Increased production of low-cost pineapple from Formosa, South Africa, Australia, Malaya, and other countries has cut Hawaii's share of the growing European market sharply; in West Ger-

many, for example, Hawaii's share of the pineapple sales fell from 71 percent in 1957 to 27 percent last year.

One wonders what the farmers of America would say if they knew that the Common Market has laid out its wheat program and it spells trouble for the United States.

I know this bill attempts to give the farmers some comfort in its provisions for executive power and authority to negotiate the lowering of Common Market restrictions against U.S. agriculture. However, just as West Germany has officially notified our country that no concessions will be granted U.S. coal producers, that the 5.08-percent-a-ton tariff will stand, so you can look to the wheat price herein quoted to prevail:

WHY EUROPE'S WHEAT PRICES WILL RISE

Under the Common Market agricultural policy, most farm crops will sell at "agreed" prices within the Six, these prices to be maintained by "levies" on imports.

These "agreed" prices have not yet been set, but it has been decided that they will be somewhere between the present French and German prices. For wheat this could be about $2.50 per bushel.

Producer wheat prices in selected countries

	Prices per bushel in U.S. dollars	
	1960–61	1959–60
Germany	2.71–2.84	2.71–2.84
Belgium	2.56	2.56
Britain	2.01	2.07
Netherlands	2.24	2.23
France	2.22	2.11
United States [1]	1.78	1.81
Canada [2]	1.47	1.47
Possible ECM "agreed" price	2.50	----------

[1] U.S. national average support price including storage and carrying charges.
[2] Canada—Initial price No. 1 Manitoba Northern basis in store Fort William/Port Arthur.

Source: International Wheat Council.

This system may affect Canadian wheat sales in Europe because the levy is based on the difference between the lowest wheat price in the world market, and the EEC "agreed" price; and will be the same for all grades. Here is an example given to this correspondent on the Continent:

Possible wheat prices in Germany with ECM agriculture policy in force

[In deutsche marks per 100 kg.]

Soft European wheat:	
German price	40
Levy	20
World price	20
Hard U.S. wheat:	
German price	47
Levy	20
World price U.S. Red Winter wheat	27
Hard Canadian wheat:	
German price	49
Levy	20
World price, Manitoba No. 1 Northern wheat	29

Thus, with the levy constant whatever the grade, the price of good American and Canadian wheat in Germany will be higher than that of most other wheats, simply because it commands a higher price on world markets.

Mr. Speaker, you will note that approximately a 100-percent increase on tariff will be assessed against our wheat selling price. There will be a charge of about $1.60 tariff added to all wheat entering the Common Market. The Europeans are realists and expect our dreamers to buy their bill of goods which puts us in a position of paying subsidies to our own wheatgrowers. We are now going to be expected to pay a subsidy of approximately $1.60 a bushel to the Common Market farmers.

Unless we await the final decision as to who and what the Common Market is and what it will do, how can we in good conscience vote for the bill containing title 1 as is.

NATIONAL SAFE BOATING WEEK

The SPEAKER. Under previous order of the House, the gentleman from Michigan [Mr. CHAMBERLAIN] is recognized for 30 minutes.

(Mr. CHAMBERLAIN asked and was given permission to revise and extend his remarks.)

Mr. CHAMBERLAIN. Mr. Speaker, as the week of July 4 approaches, I would like to again report to my colleagues in the House on the subject of boating safety. As you know, Public Law 85–911, which I sponsored during the 85th Congress, authorizes the nationwide observance of National Safe Boating Week during the week of July 4.

The President, on March 5 of this year signed the following proclamation:

Whereas many millions of our fellow countrymen are engaged in recreational boating; and

Whereas increased public participation in this healthy, outdoor sport has emphasized the need for greater attention to courtesy and safety to minimize boating incidents of the type which often lead to boating mishaps; and

Whereas concerted community action is required to attain the goal of making boating one of the safest family sports; and

Whereas in recognition of the value of maintaining high safety standards on our waterways, the Congress, by a joint resolution approved June 4, 1958 (72 Stat. 179), has requested the President to proclaim annually the week that includes the Fourth of July as National Safe Boating Week:

Now therefore, I, John F. Kennedy, President of the United States of America, do hereby designate the week beginning July 1, 1962, as National Safe Boating Week.

In pursuance of the objectives of this proclamation, I urge all persons, organizations, and Government agencies interested in recreational boating and safety afloat to publicize and observe National Safe Boating Week.

I also invite the Governors of the States, the Commonwealth of Puerto Rico, and other areas subject to the jurisdiction of the United States to join in this observance.

In witness whereof, I have hereunto set my hand and caused the seal of the United States of America to be affixed.

Done at the city of Washington this 5th day of March in the year of our Lord 1962, and of the independence of the United States of America the 168th.

JOHN F. KENNEDY.

Mr. Speaker, about one out of every five persons in the United States will participate in recreational boating and make use of our many waterways during 1962. It is estimated that there will be 7 million recreational boats and 35 to 40 million people engaged in boating.

It is fitting, as National Safe Boating Week approaches, that we recognize and review the responsibilities and efforts of the Federal Government to promote boating safety.

FEDERAL BOATING ACT OF 1958

The Federal Boating Act of 1958, 46 United States Code 527, provides for participation of the several States in a uniform system for the numbering and identification of undocumented vessels—including boats used for recreational purposes. Since April 1, 1960, 41 States have enacted into law and promulgated the necessary regulations thereunder, numbering systems which have been approved by the Commandant of the Coast Guard as meeting the standards of the act. Additionally, the numbering provisions of the act were extended to the Commonwealth of Puerto Rico, the Virgin Islands, and Guam by Public Law 87–171, signed by the President on August 31 of last year.

Section 9 of the act declares it to be the policy of Congress to encourage uniformity of boating laws, rules, and regulations as among the several States and the Federal Government to the fullest extent practicable, subject to reasonable exceptions arising out of local conditions. And further, the Congress encouraged the highest degree of reciprocity among the several jurisdictions.

Following passage of the act, the Coast Guard invited the Council of State Governments to assist in the formation of an Advisory Panel of State Officials to the Merchant Marine Council. This Advisory Panel composed of State legislators, State boating law administrators, and the Washington representative of the Council of State Governments has assisted the Coast Guard immeasurably in the mutual problems that have arisen since the act became effective. We in the State of Michigan are extremely happy that we have the good fortune to have a representative on this Panel.

The Panel has met semiannually since its first meeting in April 1959. The fall meeting has been and will continue to be held with the boating law administrators of the 41 States now having approved numbering systems. It is of particular interest that a uniform State waterway marker system has been developed as a result of these meetings. The system, compatible with the Coast Guard's aid-to-navigation program, may be used in addition to the Federal system on waters of concurrent jurisdiction and by itself on those bodies under State control. All State Governors have been urged to adopt and use this uniform system in the interest of water safety. This system will make it possible for the boatman to trailer his boat from State to State with the realization that he will not have to learn a new system in each and every State, as he enjoys the use of the Nation's waterways.

Although we have this wonderful example of uniformity between the States, there are several major problems still to be ironed out—the most difficult of which is what boats shall be numbered. The Federal Boating Act requires the Coast Guard to number motor-propelled boats only if the propulsion engines exceed 10 horsepower. That part of the act applicable to the States left the scope of their numbering system to each individual State—and herein lies the problem.

remote water areas had been possible prior to the inception of this new type program.

Many reports have been received by the Coast Guard that these mobile boarding units are enthusiastically received at each place they call. State enforcement authorities, local residents, and the visiting boatmen have all indicated their appreciation for the services rendered by the units and more often than not have requested that they make more frequent visits to an area. Insofar as possible, these requests are met. Schedules for their operations are planned well in advance and are submitted to State boating law officials for their comments and recommendations. Such scheduling permits more efficient utilization of both Coast Guard mobile boarding units and of State and local enforcement forces.

FORWARD PLANNING

It is predicted that there will be a continuing increase in boating, not only on our present waterways, but in vast new areas of water suitable for recreation as a result of new flood-control and irrigation projects throughout the country. The effect of this expansion will be to multiply the already existing problems, and increase the hazards and liabilities of the boater.

Forward planning in the fields of education and law enforcement will require the continued cooperation and effort by all those having a responsibility in the field. The Coast Guard cannot by itself provide a completely effective program. The boat manufacturers, the marine dealers, the boating associations, as well as other interested Federal agencies, under the guidance and leadership of the Coast Guard must join together to insure safe boating.

National Safe Boating Week—focusing attention upon the needs of pleasure boatment to know and comply with boating practices and regulations—will get underway Sunday, July 1. The growing success of this annual observance is particularly gratifying to the Coast Guard and its civilian affiliate, the Coast Guard Auxiliary—original sponsors—and to the many who support the event.

It was my pleasure, in the 85th Congress, to assist in this important program of boating safety when I sponsored the joint resolution authorizing National Safe Boating Week as an annual observance by Presidential proclamation.

This year the National Safe Boating Week Committee, ably chairmaned by Capt. Richard Baxter, U.S. Coast Guard, has done a splendid job in the solicitation and coordination of this event. The membership of this committee includes representatives from: U.S. Coast Guard, U.S. Coast Guard Auxiliary, American Boat and Yacht Council, American National Red Cross, Boy Scouts of America, Girl Scouts, National Association of Engine and Boat Manufacturers, American Powerboat Association, National Safe Boating Association, National Safety Council, Outboard Boating Club of America, United States Power Squadrons and the Yacht Safety Bureau.

The greatest benefit of this nationwide program has been that much of the safety material provided for National Safe Boating Week will be used throughout the entire boating season.

To those who are members of the national and local committees for National Safe Boating Week, I extend my congratulations. I urge all groups interested in safe boating to join in the promotion of National Safe Boating Week.

THE EUROPEAN COMMON MARKET

The SPEAKER. Under previous order of the House, the gentleman from Illinois [Mr. LIBONATI] is recognized for 3 hours.

Mr. LIBONATI. Mr. Speaker, the recent history of the Common Market, with particular emphasis on the agreement concluded in January 1962 to establish a common agricultural policy, and the implications of this policy, call for persistent efforts for removal of quantitative restrictions on exports for American agricultural products. These efforts, on the part of the United States, have been successful as to industrial goods, and are almost complete at this writing.

The Treaty of Rome, establishing the Common Market—1957—contemplated the ultimate unification of European trade, both in agricultural and industrial goods. The six signers realized that a slow process was inevitable—because of national pride, historical antagonisms, and competitive areas of similar products.

As a result, the economic barriers were abolished among themselves. A continuous reduction of tariffs and the interrelation of capital and labor across their borders have electrified the world of commerce and industry. A tariff for outsiders was established and is causing panic among nonmember countries.

In 5 years the growth of the Common Market has exceeded that of the United States.

It is realized now that, with economic unity, political unification is evident, even though it affects the sovereignity of these nations.

Even President de Gaulle is in favor of a confederation of states, controlled by a central body, with a unanimous vote on questions.

Great Britain and the seven nations in opposition to the Common Market, called the European Free Trade Association, has dissolved recently. The pressure of competition was too much.

Last year Britain decided to join the Common Market and her application is to be considered at the meeting in Brussels this summer.

The British favor the French version of a confederation but are susceptible to a political union. Norway and Denmark have applied for full membership and are also agreeable.

Sweden, Switzerland, and Austria, three neutrals, desire associate memberships, joining purely the economic association, and shy from the political setup. Each realizes that the Common Market will destroy their economies, but reserve for purposes of retaining their neutrality nad other reasons, their political aspect. Sweden and Switzerland maintain that their neutral position gives stability to Europe. Austria is prevented because of her Soviet agreements from joining political organizations; Chancellor Gerbach's recent visit to the White House, seeking the President's purposeful help and advice, reflects the importance of the Common Market.

The political unity of the members of the Common Market will contribute to its strength. The United States supports this view. If limited to politically united members, solely, then the economies of the others will be critically affected. The United States expects to effect separate treaties with its members.

Spain and Turkey have also applied for associate classification. Portugal, Israel and Finland have evinced their interest in the same category. These smaller countries, if not admitted in either classification, would suffer economically.

The United States of Europe, patterned after our republic, seems to have reached, through the Common Market's development, a reality.

Thus, what at first was considered a marketing of goods, et cetera, between nations will, in reality, result in a powerful political force, whose members are irrevocably bound together by national constitutional acts. No retraction is possible. It is a third powerful world force in world affairs.

The provisions that comprise the procedures of the Common Market cannot but result in a political unity of its members. Its member governments represent every type of political philosophy. Their present trade relationship with members of the Soviet bloc are expansive. This commercial intercourse includes England as well as Red China.

In the present meeting at Brussels, the ministers of the six nations are considering the problems of unity, to bring into effect these principles, both commercial and political.

A documentary series of considerations, before them for study, have resulted in the following subject proposals:

First. A common tariff for the outsiders of the Common Market.

Second. The removal of present domestic tariffs.

Third. The restrictions on manufactured production of developed countries.

Fourth. The manufactured articles of underdeveloped countries.

Fifth. Problems of associate membership.

Sixth. Agricultural conditions and restrictions.

Seventh. The economic corpus—the social and commercial policy of removing all restrictions or such, as visas, free movement of utilities, capital, labor, products, and reducing other factors or obstacles that prevent harmony in these areas.

These discussions should be resolved by this summer.

In view of our close relationship with England and other considerations, the mutual Anglo-American affinity in world affairs, both President De Gaulle and Chancellor Adenauer have somewhat chilled on granting Britain full membership. After a year's discussion over the concessions sought by Britain for the

Commonwealths of Canada, Australia, and herself, such as:

First. Reduction of tariffs, subject to review.

Second. Asks removal of tariffs from aluminum, wood pulp, zinc, lead, newsprint, and many other lesser important items. The six demand all tariffs maintained.

Third. Goods of developed countries maintained—Commonwealths goods enter England without tariffs, or with preferences. England proposes special considerations. The six are against this proposal.

Fourth. Manufactured goods of less developed countries—particularly Pakistan, India, and Ceylon. The political need to help their growth is approved by the six. The only problem is how to prevent flooding Europe with low cost manufactures.

Fifth. Association—difficult problems must be decided: Terms; charge of neocolonialism must be answered; and creation of preferences in large area avoided.

Sixth. Agriculture.

British insist—as to Commonwealth—on comparable outlets to protect New Zealand trade after changes. Australia desires preferences for goods entering the Common Market. Also, urge a guarantee of progress for worldwide solution.

The six maintain that, after the transition period, the commonwealths must compete on equal terms, as the other countries overseas.

In agriculture, Britain has agreed, with the exception of certain technical objectives. England asks for a longer-than-the-present transition period, set now at 7 years.

Seventh. All agree on the provisions of the economic union.

It seems that the growing question, at Brussels, is whether or not Chancellor Adenauer supports Britain's entry into the European Economic Community—EEC—as a full member, or only as an associate member.

The people and political leaders in West Germany still aver in the affirmative. A statement has been attributed to the Chancellor, recently, in which he objected to the granting of full membership for Britain. That it would cause unrest among the members.

CONFERENCE AND BRIEFING HELD ON APRIL 28, 1962, IN THE AMERICAN EMBASSY, PARIS

In attendance at the conference and briefing were Congressmen LIBONATI, SHIPLEY, SLACK, FINNEGAN, GONZALEZ, and SCHWENGEL.

Mr. John A. Bovey, Jr., First Secretary, in a brief introduction to political factors at work in contemporary France, traced the evolution of French parliamentary and executive institutions in the post-World War II period. He stated that the individuality of the French people becomes submerged only in times of great crisis or in the introduction of programs changing the autonomy. The French possessions, once her colonies, have been nationalized into 16 independent nations, in a few years.

The present Algerian problem is another. It was a difficult process for France to sever Algeria and her million Europeans from her national life. It was thought by most Frenchmen that France could not exist apart from Algeria. That the separation would sap France's lifeblood and the nation would die.

President De Gaulle changed that by completing an amputation. Mr. Bovey noted that while the Algerian question is far from resolved at present, there is every reason to believe that, in the near future, Algeria will accede to complete independence; essentially, she will have to choose between independence in cooperation with France or a rupture in relations which are vital to Algeria's economic and political future. Already the Algerian problem has taken on a different nature from that which had existed since warfare began in Algeria in 1954. Mr. Bovey also discussed reports that the present constitutional system of the fifth republic may be modified to provide for a presidential system, with a chief executive elected by direct popular vote.

Algeria is not a colonial problem. The 1 million Europeans are outnumbered by the 9 million Moslems. A two-way problem results because 200,000 Algerians are in France. There is an increase of 2 to 3 percent in the Moslem population each year.

The European status in Algeria must be determined. Algeria is a Republic, highly centralized. It lacks intellectuals, although Monaco and Tunisia have Algerians who are qualified scholars and intellectuals. The Communists will be neutralists being in the minority, and they are wary of taking sides. Algeria has some industry development but is, primarily, an agricultural country. Labor is mostly unskilled and engaged in menial employments, that is, streets, garbage collection, and mining. They travel back and forth to bring earnings home. Soon Algerians will vote upon these proposals: Do you want to be independent or do you desire cooperation with France? Do you favor independence with the cooperation of France? Or do you favor no cooperation at all?

Thus France enjoys a real role as a potent power in European affairs and, nationally, enters upon a new start in the near future, in the development of her local economy.

In her constitutional government, passed in the summer of 1958, the area of the executive department is vested with supreme authority. The Parliament has always questioned this absolute power, together with the Ministry, which is also subject to the Presidential powers. Constitutional changes are in the offing—perhaps the President will be subject to the electorate. It can be truly said that any further encroachments in this area will result in a critical situation and a complete retreat on the part of popular political parties in France. Even if the changes are delayed further, or if the President becomes adamant in his tenacity to hold these powers, the Ministry will react even to a total resignation by the liberal member group making up the Ministry.

The postwar period presented many problems for France. But the economic crisis occured in 1958, in the main, a result of the expansion of business credits and unrestricted borrowing in 1957.

The turning point against inflation by the De Gaulle government, in 1958, resulted in the following reforms established by conservative measures: First, balanced budget, second, devaluated currency, third, restricted bank credits, and fourth, canceled internal subsidies. After a period of stagnation, the economy recovered.

Tax and real estate reforms were initiated. The elderly retired were taken care of by a special system.

The economy returned $1 million surplus in 1959; one-half billion dollars in 1960; $1 billion in 1961, and an estimated $1 billion will be returned in 1962.

Both exports and imports have increased. The French budget, last year, was $15,005,100,000. The economy returned $14.3 billion. France's debts amount to $30 billion, in spite of the tremendous loss suffered through inflation. The 46 million people of France are enjoying a progressive economy.

Its taxation structure includes indirect taxes—evaluated income tax stops at 55 percent; revenue taxes; 20-percent manufacturing tax. The number of state employees has been reduced and payrolls are at a minimum.

The affluent citizens have invested heavily in real estate. Rents are nominal only as to the entry of payment figures on the receipt, but an undisclosed portion is retained by the landlord under the table payment.

A release may be obtained for the payment of income taxes because of indirect taxes paid by individuals, and so forth. A heavy social security tax nets $3.2 billion. There is a $200 million merchandising tax on export firms.

One-half million American tourists fatten the treasury. The Common Market, at present, nets one-half million dollars to the Government.

Corporation taxes.

The military expenses are shared mutually, contributed by the United States—$320 million—and France—$200 million—per year.

French industries expanding: Metal processing, electricity, gas, heavy materials, petroleum, chemicals, glass, gloves, perfumes, et cetera.

Exports: Textiles, 5 percent; medicines, 8 to 10 percent; airplanes, 8 to 10 percent; appliances, good.

Lower: Shoes, clothing, styles, small manufactures, and household equipment.

Many small taxes are levied. Liberalizing imports of U.S. manufactures, agricultural products.

The U.S. loans to France, under postwar aid, now amount to a $1.4 billion indebtedness, payable at $40 million to $50 million a year, at 2½ to 3 percent interest.

During France's crisis in 1957 and 1958, the late installments were set back to 1982 but were later paid.

The U.S. authorities have been talking to help the American balance-payments position in France; the trade mision in 1960 to France, and the extensive followups; the increased emphasis in Embassy commercial activi-

ties toward promoting American exports by deemphasizing services to French exporters and greatly increasing services to French importers and American exporters; the persistent efforts for removal of quantitative restrictions on American exports to France, a process which is almost completed for industrial goods, but remain a major preoccupation for agricultural products; the encouragement of French prepayments on the $1.4 billion in outstanding postwar debt to the United States in April 1962, the French Government repaid $60 million, which had originally been due in 1958 and 1959, but which had been postponed until 1981 and 1982, to assist the French in overcoming the balance of payments difficulties they were then experiencing; promotion of French tourist travel to the United States; and the possibility of reducing or offsetting the foreign exchange cost of maintaining U.S. Forces in France.

The proposals to pay the other installments fell on deaf ears at the discussions here in Washington. Further, on the military side, a proposed compensation. The French would not hear of it and even refused to help in unclassified areas.

In response to the prepayment of the $1.4 billion, the French stated that they were acquainted with our problem and answered, "Why can not the United States take the same measures as was done in France, to stabilize the economy?" That wages are too high, and so forth. Finally asserting, "Solve it yourselves."

There are a few tax differences in France on American programs, such as officers' clubs, electricity at housing areas, and so forth.

The French Government maintains it had suffered a $320 million loss in the deflation of the franc. But the American dollar is the standard of the monetary determination of the world and, of course, any act of deflation would cause chaos in the financial structure of all economies of the Allied Nations, including France. The basic relationship between France and the United States is good.

Canada has embarked on the devaluation theory of recovery, lowering the Canadian dollar from $0.9525 to $0.925, considered a necessary step to stabilize the floating exchange rate which resulted in a recent outflow of funds. During the first quarter of 1962, $350 million of reserves were lost. The past misfortunes, and policies adopted to effect the economy were a contributing cause.

The great boom for the development of its natural resources attracting vast amounts of outside capital, especially from the United States, resulted in great projects in oil, iron ore, gold, nickel, and the St. Lawrence Seaway. But, upon their completion, Canada continued to promote less productive purposes by establishing high rates of interest, to further attack capital.

The exchange rate of the Canadian dollar continued high, and the heavy imports crippled the competing domestic industries, increasing unemployment. The Government budget deficits mounted to $15 billion to $20 billion. The Diefenbaker government, in June 1961, depreciated the exchange by intervening in the market to set a manipulated rate, instead of a free, fluctuating rate, to depress the Canadian dollar and, by this procedure, stimulated the economy, some at the expense of competitive injury to her trade partners.

But, fortunately, a cycle revival of production in industry—as in the United States—contributed much to her improvement in the economy.

Meanwhile, the large budget deficit and the uncertainty of the exchange rate caused investment to go abroad. To prevent further flow of investments abroad, the stabilizing of the rate at this time, with the aid of the International Monetary Fund, has removed the uncertainty. This action will result in the arresting of speculative funds to foreign investments. And dropping the rate 2.5 percent secures a greater margin of confidence.

This action ends flexible exchange rates after 12 years.

This same flexible theory has received the attention of authorities in academic circles, both in the United States and Europe, and has been proposed as a solution to the U.S. balance-of-payment problems, even though our economy is different. The experience of Canada should not go unheeded, we had better stay with the proponents of responsible policies and leave the flexible exchange advocates to debate, among themselves, Canada's reversal and abandonment of its treasured enchantment.

Recently President Charles de Gaulle, following his positive approach to increase France's power position in Western Europe, again asserted that political unity, on the basis of cooperation among states, will save Europe, not integration or supernationality, meaning majority rule. France will not allow its political course to be directed by anyone else. His view that unanimity controls when national interest is involved.

The sickening of President de Gaulle's adherence to the contention of the Western alliance—pointedly, the United States and Britain—developed after their refusal to share nuclear secrets with France.

France moved on its own military determinations, independent of and sometimes disagreeing with NATO decisions.

France does not countenance being under British and American domination for its nuclear defense, but seeks to chart its own fate, to develop nuclear protection itself. England or America, under nuclear attack, would naturally look to their own protection. After home protection was secure, then France could expect allied aid. France does not feel confident that the United States and Britain would defend her with nuclear weapons if by doing so would receive nuclear destruction in retaliation.

Rather, President de Gaulle is strong for a French and West Germany combination, for the security and prosperity of Western Europe.

He voices, with sarcasm, the efforts to settle the Berlin crisis and disarmament. He refuses to support the allies in these talks. As to nuclear testing, he refuses to join any conference, unless the countries with nuclear know-how dispose of all their weapons. He has become cold to the idea that England, or any others, be permitted to participate in the Common Market.

The repercussions in France, as a result of his statements at this conference, caused the resignation of five of the ministers who entered the cabinet with the understanding that he had modified his views.

The Benelux nations, pledged by their people to strong federated unity, reasserted their views.

President Kennedy was very discreet and treated the European unity matter as unchanged, a viewpoint not unexpected from earlier information, but not in his area of discussion. But as to nuclear weapons, he commented that, if nation after nation followed France's lead, then the alliance would be weakened. The United States was interested in the preservation and protection of Europe's freedom. This could be best served by a strong NATO.

A time may come when Europe can defend itself without the United States, the third force idea. But, at present, no one can seriously contend that Europe can stand against Russia by itself, not even France.

Thus President Kennedy's treatment of President de Gaulle's provocative challenge was courteous and friendly and he, in a matter of fact manner, avoided the controversy of the confederated versus the federated advocates.

Nikita's blasts at Euromart betray his fears, both economically and politically. Khrushchev fears that a United States of Europe would be a threat to communism. He stated it was laying a foundation for a third world war, whereas it actually means a threat to Russia.

The reasons for his position are purely economic, because machine goods manufactured in Russia are inferior, in both quality and quantity, especially so in fibers and plastic products. The Common Market has been a medium which emphasilzed this inferiority by comparison. The growth of the Market has been a boon to France, Belgium, the Netherlands, West Germany and Italy, namely, the capitalistic countries are outdistancing the Communists in commercial growth.

The economic union of the Sivet group has fared badly, because of selfish Russian control to benefit only Russia, economically, at the expense of its satellites, through tariff preferences, price supports, and because accessibility to markets, as in the Common Market of Europe, were not established.

The Kremlin seeks to wreck the Euromart by dissuading the British from joining it thus, negatively, influencing the attitudes of other nations in seeking membership.

Russia sought trade with the new African nations but, alas, 16 have joined the Common Market, which adds to Russia's worries and her trade detriment.

Russia must use the old confidence game of divide the West and conquer. The standard position of Russia has been

that the capitalistic nations have always split over trade competition—it was the tensions over commerce that led to conflict.

The Common Market has proved otherwise. Further, the trade alliance may also lead to a military one, or, perhaps, a political union.

The Common Market is now the dynamic new movement of world importance, showing up the Communists' claims of meeting the needs of the world, and shoving it to the background.

After 4 years, the Common Market has captured the minds of the people of the world and has scored heavily against communism by raising the prestige of the capitalistic way of doing business.

The Russian economic alliance was doomed because no Western nation joined, whereas Britain, Austria, Switzerland, Sweden, Spain, and Israel are seeking admission to the Common Market.

The shortages in agricultural products reflected on the Soviet alliance, so much so that staples increased in price to 30 percent, reflecting to the world a doomed defeat for the Russian methods of business operation.

The conditions in Red China, facing starvation, and the food shortages in Czechoslovakia and Eastern Germany, Poland, and Yugoslavia, are shining examples to the world of the failures to provide people with the necessities of life under the Communist system.

Several of the satellites would, indeed, be in a bad way if it were not for imported grains, and so forth, from the United States.

The President of the United States, John Kennedy, and the Department of the Treasury are putting forth every effort in domestic and foreign fields of finance to stabilize the American dollar.

The payments by foreign countries in the first part of April exceeded the payments made by the United States abroad.

We have only to weigh recent events to know that the President is adamant in his appeal to aid the economy to hold price costs and preventing a rise. This is favorable to our country's balance of trade. In the European countries, costs are increasing 3 to 4 percent per year. He has encouraged exports to the estimated figured increase—formerly $15 billion—to $20 billion, representing the employment of 3½ million Americans.

He has given the incentive to attract foreign investments in American industries which will improve our balance of payments and protect the gold reserve.

He has advocated by every official action, including appropriations, advertising, lower fares, lower hotel rates, sales programs, tourist agencies, special brochures on interesting places, the complete backing of our Government agencies, and special cooperation of the State Department on arrangements, and so forth, including visits by foreign officials seeking special study—another great source of income enticing foreign tourist trade—a part recoupment of the millions of American dollars spent by our American tourists in foreign lands, that greatly increases our outflow of gold.

What causes the outflow of gold? First, by direct demand—dollars for gold; second, the indirect redemption of the dollars by selling them in London against gold. Thus these dollars must be redeemed by an outpouring of our gold reserves in order to protect the integrity of the dollar, thereby keeping our currency foreign exchange value from deteriorating.

If foreign interests increase their dollar reserves and continue the practice of presenting these sums directly or indirectly for payment in gold, then the dollar's integrity will be in trouble. Its devaluation would result in incontrollable inflation. Then acute deflationary measures would have to be adopted, resulting in high interest rates, credit restrictions, and our trade partners would suffer resulting in a loss of the competitive markets. The American dollar is the standard and fixed basic value of many nations—for the United States is the strongest and richest Nation in the world. The currencies of other nations relying upon us would be affected. The underdeveloped nations and South American programs would die aborning.

The gold outflow must be zealously controlled by stimulating U.S. exports so that the balance as against imports will be so favorable as to turn the gold flow back toward the United States.

The President has advocated low tariffs to bring this about. Roscoe Drummond, the distinguished journalist, in his column in the New York Herald Tribune, has written a masterful article portraying his courageous and forceful attitude in this area of legislation:

LOW-TARIFF SUPPORT SURPRISING

(By Roscoe Drummond)

To the surprise of nearly everybody in Washington, voters generally—business and labor, conservatives and liberals—are showing themselves overwhelmingly low-tariff minded. Purspose: to enable the United States to compete in the European Common Market.

When President Kennedy overruled some of his principal aids and decided that a radical revision of trade policy should not be postponed until after the elections, he was told that he would be pressing a right idea at the wrong time under the worst possible circumstances.

The President was warned by those who wanted to be cautious that he would stir a lacerating controversy in Congress, alienate many Republicans and Southern Democrats whose support he would need and generate massive business and labor protectionist opposition particularly at a time when there was still high unemployment.

And what has happened? That which his aids most feared for the President has not come upon him. Mr. Kennedy was either politically wiser than his advisers or politically more courageous in deciding not to delay asking Congress to bring the U.S. trade policy in line with the European Common Market.

As the Trade Expansion Act in 1962 moves through its final stages at the hands of the House Ways and Means Committee and onto the floor of Congress for action, what many thought would be a divisive national debate has turned into decisive national approval.

It has the approval of the U.S. Chamber of Commerce and the AFL–CIO.

Its objectives are supported by the leadership of the Republican Party and Americans for Democratic Action.

It has the endorsement of a wide spectrum of leading newspapers from the conservative Los Angeles Times and Boston Herald-Traveler to the liberal New York Post and St. Louis Post-Dispatch.

It is supported by the National Grange and the American Farm Bureau Federation,

What of the business community? Do U.S. industrialists want lower tariffs on imports in order to take whatever risks are necessary to compete on even terms in the Common Market? Dun's Review, a business management magazine, asked this question of the chief executives of nearly 300 companies, large and small, covering a broad range of industry. The result:

Three out of four supported tariff reform.

It is significant that the most bitter attack upon the European Common Market, upon Britain's decision to join and upon our decision to pursue parallel trade policies comes from the Soviet Union.

Speaking in behalf of Premier Khrushchev at the 92d anniversary of Lenin a few days ago, Leonid Ilychev, a leading Soviet ideologist, assailed the Common Market and other "fashionable plans of so-called European integration." He called all these developments foolish and hopeless and asserted at least his oral confidence that they would not be able to stave off the rising triumph of communism.

The Kremlin rightly sees the Common Market and its expansion as the greatest barrier to communism, not because it is directed against the Soviet Union but because it is directed at the strengthening of the whole free world—capable of creating a permanent preponderance of economic, political and military power which will be irresistible.

Mr. Speaker, to meet this challenge, the President has ordered a complete study in further depth of the trade practices, tax reforms, and budget methods of the Western European nations that we may learn something from their experiences. We have suffered four recessions during the postwar period which cost the economy several hundred billions of dollars in losses to the economy, and those nations suffered none. We must do something to stimulate the further expansion of business, and if it is discovered by this study that the tax structures in certain areas give rise to obstacles working against this growth, then changes should be made to lift this blockage. The President is to complimented on his analytical foresight in ordering a study of these problems, at practical levels of other nations' experiences in this area, for the good of our economy.

But the second half of the month of April reported a $115 million dip. Yet we have reduced our huge short-term debt to foreigners a little in April. The deficit for 2 months amounted to $360 million which adds up to an annual rate, if projected, to $2,200 million. Last year the deficit amounted to an average balance of $2,600 million. The gold reserve in April amounted to $16,495 million—a reduction of $434 million since December 31, 1961—and down $900 million in 1 year. These losses are not caused by the liquidation of foreign-held dollar balances and U.S. bonds.

The Chicago Daily Law Bulletin, in an artcle by Elmer Roessner, on May 29, 1962, published a very comprehensive study by the Morgan Guaranty Trust Co. in its monthly Survey:

BANK SHOWS WHY U.S. GOLD FLOWS ABROAD

(By Elmer Roessner)

An unusually good clarification of the balance-of-payments problem is presented by the Morgan Guaranty Trust Co. in its monthly Survey.

In explaining the bookkeeping of the balance of payments, it underscores the dangers facing the United States in this area.

The net change in the balance of payments, it points out, is measured by the U.S. gold holdings, which we all know have been shrinking; convertable foreign currencies owned by the Treasury and the Federal Reserve System, and our private and public liquid liabilities to foreigners, such as foreigners' deposits in American banks.

The Survey then presents a summary of recorded transactions affecting the balance of payments for 1961, which shows, as clearly as possible without color, what this balance-of-payments and gold-loss trouble is all about.

Here are our debits for 1961:

[In millions]

Goods bought from foreign countries	$14,524
Services rendered by foreigners to U.S. residents (this is largely travel, insurance)	4,728
Income investments in United States by foreigners	871
Military expenditures abroad (includes U.S. outlays and personal purchases by U.S. personnel)	2,956
Net private unilateral transfers to foreigners (includes charitable and family gifts abroad)	634
Net government unilateral transfers to foreigners (Government spending and donations except military. Largely, it's U.S. aid)	2,104
Net U.S. private investment abroad (this is the excess of the outflow over returns)	3,951
Net U.S. Government investment abroad (loans for economic developments)	954
Total recorded debits	30,731
CREDITS	
Merchandise exports	19,916
Service to foreigners by U.S. residents (foreign travel here, insurance, etc.)	4,349
Income on foreign investments by U.S. residents	3,645
Military receipts (sales of supplies to foreign countries)	406
Net foreign investments in United States (the outflow of foreign capital, claims of foreigners against U.S. business, etc	577
Total credits	28,893

This left a balance of $1,838 million, which was our deficit in the international market last year. This measures the potential, though not the actual, loss of gold during 1961, since the Nation is obligated to make up its deficit in gold, if demanded. However, since the American buck is not completely vitiated, some foreigners would just lief have it as gold.

It is obvious that, if the United States is to continue to maintain its gold balance, it must bring up its credits at least equal to its debits.

This balance sheet spotlights the many ways gold may be regained: Increasing exports; spending less abroad for military purposes, perhaps making other nations carry larger shares of expenses; being less wasteful in foreign aid; encouraging foreigners to invest more here and (a measure provided for in the Kennedy tax bill) speeding the return of earnings on American investments abroad. We can also try to encourage more foreigners to visit the United States and restrict travelers' expenditures abroad.

Note that by cutting tourists' spending abroad in half, the United States could rectify the balance of payments overnight.

But the United States won't.

Mr. Speaker, there are on the other hand great gains in the volume of sales in the economy. The key industrial corporations are reporting fair earnings and complain of restricted margin of profit—least dividends will be there. The building programs and public works sparked by administrative legislation have strengthened the economy. It is estimated that the projected figures indicated a near $500 billion level in our economic return. At least public confidence has been somewhat restored and employment rolls steady. It is predicted that a steady increase in earnings will continue through 1963. The present condition of the economy is not an accident. It should improve in part by the passage of legislation stimulating lagging fields of industry and depressed areas—public works and public housing—programed to improve the economy.

These programs were enacted under the Kennedy administration, and expenditures for these projects have been met by sufficient appropriations to carry them out.

The increase of appropriations for military and other avenues of defense, a security purpose to make our Nation strong and superior in space, have taken a needed toll of our reserves.

The long delayed increase in salaries for underpaid Government employees, pensioners, and social-security increased benefits have been considered.

Yet the President is displeased at the business outlook—it has not been too responsive to expected improvement. He is studying the personal income tax brackets for considered reductions to give impetus to the economy.

Several proposals are engaging his attention:

First. Reducing the highest tax provision from 91 percent to 65 percent and in other brackets also including the 20 percent first bracket by 1 percent.

There were earlier proposals to seek other taxes to offset these cuts. But there is a prevailing feeling now that the cuts should be made without any offset taxes, on the theory that the cuts would give the economy such a stimulating force that it would produce more revenue than at present levels.

President Kennedy is anxious to erase any idea in the minds of businessmen that he is antibusiness. His speech before the United Auto Workers Convention warned union labor not to seek inflationary wage increases as he previously warned business—steel—not to raise prices.

He has gone out of his way to seek legislation to aid business so that increased profits can be realized. He asked Congress for power to cut personal income taxes limit to $10 billion in periods of business slumps.

His action in the steel episode strengthens his position to demand the same restraint for labor unions.

The President contemplates faster tax writeoffs to other businesses, already granted to some going businesses.

An outright tax reduction for business outlays that are expended for modernization of equipment now before the Congress.

Finally the plan to cut income taxes across the board permanently.

Many businessmen questioned the President's economics and business sense because of what they term an inflationary budget of $92 billion—$12 billion more than the last Eisenhower budget—and several billion in excess of the return expected by the Government in taxes.

His approval of the Board's recommendation of about one-half million railroad workers receiving wage boosts averaging 10.2 cents an hour. The Board maintained that the wage boost was noninflationary. The President approved their action.

There is also a fear that President Kennedy owes his election primarily to union labor and is without business experience, and that he cannot follow his promises and intentions as one who had experience in a business career.

Some feel that his program to increase the wages of 2½ million Federal employees by $1 billion per year is in direct conflict with his demands upon industry and labor to hold still.

Others feel that if a showdown hits on the wage-price controversy for union labor he will favor the union bosses.

Just being President of the United States is a real chore by itself, but collaring the terrific forces that control the operation of the national economy is a task for the gods.

All these facets of expense could not be denied to a republic alive to its obligations to the public interest. The almighty dollar is not to be worshipped at a public shrine—at Knox—as though it were a symbol of a nation's contribution to its posterity. The usefulness of a nation's wealth is to work its dollars hard that it may have a continuous circulation in promoting happiness and prosperity of its people through opportunity to labor and earn a good living in accordance with American standards.

No one can deny that all the gold in the world cased in the vaults at Knox, if left there, severed from the working dollar, would not send one astronaut into space or develop one missile, let alone raise it into orbit.

The space program through bipartisan approval in spending money did it. And today we stand proud among nations because of it—a loyal and forceful people, a real leader among liberty-loving nations who see us standing alone on the sacred principle of giving succor and strength to other nations to help keep freedom alive and to insure the security of our kind of world inviolate.

History shows that the hoarded wealth of 21 leader nations of the civilized world fell into the enriched coffers of their conquerors.

The progressive study now going on by American experts shows that the European nations' economy increased 7 percent, while ours has advanced only 3½ percent. What are the reasons for the European nations' splendid success?

The experts feel that perhaps the greater sums of investment by the foreign governments and their private investors in industrial production, such as expanding properties, increasing sales, have been one of the factors also resulting in high figures of employment.

They also list as probable influences these other factors as the revamping of their tax structure, adjusting levels of expenditures—new budget planning. We know that as the economy moves up the tax formula moves down. They further comment that a survey of our budget figures would show that, perhaps, we are too cautious in showing expenditures and the listing of unexpended funds. The surpluses would far exceed expenditure funds.

Further, industrial reports show increasing sales, yet profits are decreasing compared to the volume of high production. Yet, in spite of this diminishing ratio, profits are growing at an alltime record rate. Our foreign trade has increased to $20 billion—$15 billion manufactured products. It could be increased further if these studies point the way.

One of the important sources of income of this country from abroad consists of royalties for the use of American patents or inventions, technical know-how, and trademarks. The respect abroad for industrial property rights of American individuals and companies rests solely on the conventions of the International Union for the Protection of Industrial Property, commonly called the Paris Union. This union has been in existence for almost 80 years, and the United States has been party to it since 1887. Some 46 countries belong to the Paris Union today, and among them practically all the industrially important countries of the free world.

European countries are in the process of strengthening their bonds in industrial property matters. New treaties are being worked out by the Common Market and the Council of Europe. Much of the initiative and imaginative adaptation to changed circumstances have passed from the Paris Union to these European organizations in the last years. This is partly due to the rather passive attitude of the United States in the councils of the Paris Union, and to the fact that the Secretariat of the Paris Union—the Geneva Bureau—is exclusively staffed by Europeans.

Whereas we should, of course, welcome closer cooperation among European countries in the field of protection of industrial property, it is both important and urgent that this does not result, in Europe, in discrimination against and isolation of American patent and trademark interests. We have no voice in the European organizations, but we could and should urgently work on revitalizing the Paris Union in which we have equal status with all other members, and where our vote should have particular weight in view of the fact that the United States is the greatest exporter in the world of inventions, technical know-how, and products under trademark protection.

In this connection, it should be our aim to internationalize the Secretariat of the Paris Union, and insist that positions corresponding to the importance of the United States in industrial property matters be filled by U.S. citizens. We should insist on the vigorous implementation of the worldwide responsibilities of the Paris Union, in particular so that regional arrangements will not become discriminatory against the United States. A much more dynamic and imaginative policy, and much more active U.S. participation than has been offered up to the present time, are needed, and are needed urgently.

Dam the Dollar Drain

Headquarters,
U.S. Army, Europe,
Information Division,
February 17, 1961.

Note to unit commanders:

The Secretary of Defense has asked the cooperation of members of the forces overseas in helping check the flow of gold from U.S. reserves. This fact sheet is designed as an aid to commanders in informing personnel about the gold situation and in urging them to do their part to help.

This is a mandatory troop information topic.

Troop Information Branch.

Gold, gold—who's got the gold?

That's the cry resounding through the United States, where gold reserves have hit an alltime low. Fort Knox is still intact; nobody's dug a secret tunnel into the bullion repository—the gold drain has been strictly legal. But the situation is serious, and the Government is taking steps to try to check the flow of gold into foreign hands. We in USAREUR can do our bit to help.

Gold and Dollars

Before we get into that, however, let's see how the gold shortage came about—and what it means.

"As good as gold"—this has been true of the U.S. dollar for a long time. The dollar is the most respected currency in the world. Although it is represented only by a paper bill or coin, it is accepted—even sought after—the world over. Why is the dollar as good as gold? Because it is backed up by gold; because any foreign holder of dollars can, at any time, exchange them in the United States for gold, at the rate of $35 an ounce.

The problem—the reason for our gold shortage—is that too many of them have been doing just that.

How do so many dollars get into foreign hands? Principally in five ways. By means of foreign goods sold in the United States; that is, our imports. Then through the dollars invested abroad, in foreign enterprises. Third, a lot of dollars go out in the form of aid to our allies and to underdeveloped countries. Fourth, American tourists spend millions of American dollars abroad. And finally, we spend dollars overseas to support U.S. troops stationed in foreign countries.

Many of the dollars that leave the United States in these ways return to us, of course. We get a big return on our foreign exports, on products of all kinds that the United States sells abroad. We get some dollars back in dividends earned on our money invested abroad. And then we get dollars that are invested in America by foreigners.

But in recent years, far more dollars have been leaving the country than have been coming in, causing what is called a deficit in our international payments. Why has this happened?

Ever since World War II, the United States had made tremendous outlays of money on foreign aid, and on stationing troops abroad. Americans have been spending more and more money each year touring foreign countries, while relatively few tourists come to America. For a long time our tremendous export trade made up for these losses.

But in 1959 the situation worsened. In that year there was a major surge in imports, led by foreign cars and steel.

In 1960 the dollar drain increased as fewer dollars were invested in the United States, more in Europe, where interest rates on capital were higher. The reason: the booming European economy.

How does this so-called deficit in our international payments affect the U.S. gold supply? We said before that foreign holders of dollars may use them to buy gold at any time. Foreign central banks usually buy gold with a fixed percentage of their dollar holdings. Since their dollar holdings have been going up, they have been buying more gold. Foreign governments have needed more gold in recent years also, because their trade has been greatly expanding.

The result is that our gold reserves, which in 1949 stood at $24.9 billion, now have hit a low of $17½ billion. If they fell low enough while foreign dollar holdings continued to climb, eventually the dollar wouldn't be "as good as gold," because there wouldn't be enough gold to back it up. There could then be a "run" on the remaining gold—and a financial crisis.

What's being done about it?

The situation is thus serious, and steps are being taken to deal with it. The Eisenhower administration began to act on the matter before it left office, and the Kennedy administration is taking further steps.

Here are some of the steps that are being taken. Special U.S. interest rates have been authorized for foreign holders of dollars, as an inducement to investment in the United States. Americans are now forbidden to hold gold abroad. Great emphasis is being put on increasing U.S. exports. Foreign travel to the United States is being encouraged. Countries receiving U.S. aid are being urged to spend as much of it as possible in America. These steps are just a part of a vast program to reverse the dollar flow.

What can we do?

As Americans stationed abroad, we are in a good position to help check the flow of dollars out of the United States—and thus to help, indirectly, with the gold situation. There are thousands of us Americans overseas; what we do with our pay can make a big difference in the overall dollar picture. Dollars that we convert into local currency and spend "on the economy" are dollars lost for America. Dollars we save—and those we spend for U.S. products—are dollars kept in America, which will go to help build back up the gold reserve.

Of course, it is realized that some spending in local markets will continue to be necessary. But we should nevertheless try to put more of our pay into savings, on the one hand, and, on the other, to spend as much of the rest of our pay as possible at U.S. facilities. Mr. McNamara, the Secretary of Defense, has suggested the figure of $80 per person a year as a good target.

None of this involves any real sacrifice on our part—just a little reflection on what is in the best interest of our country, and our interest, too; for what hurts the value of the dollar also hurts us.

Saving and Spending

For the soldier, saving is painless. You can have as little or as much as you like deducted from your pay for savings, before you ever see it, by means of a class E allotment. If you save in this way, the money you get when you finally tap your savings will seem like something you're getting extra, for nothing. You won't have noticed the little monthly deposits coming out of your pay; but you will notice the big lump sum, including interest, that you receive when your savings pay off.

USAREUR suggests soldiers' deposits as one of the best savings plans for enlisted men. The plan is safe and interest rates are good. U.S. savings bonds are recommended for officers and civilian employees, who are not eligible for soldiers' deposits. Personnel sections have full details on all savings plans.

As for cutting down on foreign expenditures, how it's done is up to you. One suggested way is to make more use of the USAREUR recreation centers for your leaves. There is definitely no sacrifice involved here. The centers offer tops in sports and entertainment at the lowest of prices. At Berchtesgaden, Chiemsee, and Garmisch you'll find U.S. luxuries with a continental flavor, in a setting of incomparable beauty. For full details see USAREUR Information Bulletin, volume 15, No. 6, pages 8–11. In SETAF, enlisted and officer recreation centers are located on Lake Garda, 18 miles west of Verona. At Tirrenia, just outside Leghorn, is a fine beach operated by SETAF.

When you travel, go by automobile if possible. It's cheaper than by rail or air, and of course it's U.S. gasoline you'd be using. If you don't have a car, you may be able to buddy-up with someone who does.

A quick review of your monthly purchases will show you where you can cut on foreign spending. Buying American whenever possible is a good policy. You'll find most of your usual purchases can be made at U.S. facilities, and that prices there are reasonable. Post exchanges will be stocking more and more American items. They offer a convenient mail-order service for items not carried, and recently instituted a layaway plan. Another way to cut your foreign spending is to patronize U.S. snack bars, clubs, and messes more often for entertainment and when you eat out. If you're thinking of buying an automobile, just remember: your own country makes good ones.

These are just a few of the ways you can help in alleviating the gold shortage. None of them demands much of a sacrifice; all of them will help keep the U.S. dollar strong. Just a little cooperation will go a long way toward strengthening the U.S. economy.

(Program for the reduction of individual dollar expenditures.)

THE GOLD FLOW

(Address by Gen. Bruce C. Clarke, Cincusareur, before Frankfurt Women's Club, March 16, 1961)

It is a pleasure and a privilege to have the opportunity to meet with the Frankfurt Women's Club, and to express my sincere interest in the work of your organization.

Your president, Mrs. Johnson, in her letter of invitation gave me a succinct history of the club since its founding in 1946. With her letter, she enclosed some very informative pamphlets outlining the aims of the club, and its achievements. In addition, a list of welfare donations from July 1959 to February 1961 was enclosed. You can rightfully be proud of your accomplishments.

At times I marvel at the scope of activities undertaken by women's organizations such as this. But then I remember that unforgettable phrase in a prominent women's magazine—probably coined by a smart woman in the firm—"Never underestimate the power of a woman." Remembering that phrase, my amazement is changed to acceptance of an indisputable fact. You, the members of the Frankfurt Women's Club, have shown yourselves as "power for good."

Keeping a house and making a home for your husband and your children is job enough for anyone. Busy as you all are with your many household duties, your children and your church activities, I am pleased to note that you are busy about many other things—things that have a direct bearing on the accomplishment of the mission of the U.S. Army, Europe; busy about matters that project a true image of our people, and our Nation.

No doubt, some members of the club have been in Europe since your organization was first chartered. Many are on their second tour in the Frankfurt area, and are thus able to make a comparison between the past and the present. All are aware of the conditions which existed in the early years after the war. Want and poverty stalked the land in the wake of the war's destruction. All around us, were misery and distress.

Moved by compassion, your club and many others composed of all American women, and clubs which combined members of our host nations with American women throughout the U.S. Zone, went into action. Supplementing governmental agencies and providing the warm, human touch, the record of service by these clubs speak for itself; it is a source of great pride and an inspiration to all of us.

With the resurgence of the German economy, the Frankfurt Women's Club broadened its objectives. Now, they include not only help for the needy, but also the provision of service, cultural, and social assistance to American wives; help for handicapped children; and a multitude of other services.

Now we have a new problem facing us—one in which you can be of immeasurable assistance to USAREUR and to our Nation. In my judgment, our American Women's Clubs can and should play a key role in the resolution of this problem.

This problem is the balance-of-payments deficit. It is important, and we all should take vigorous steps within our capabilities to curtail the gold flow.

As I visualize this matter, it affects your activities in several areas. It affects the way in which you spend your money, the amounts of money required for your activities, and the methods of raising this money. To put it another way, it affects many of your basic objectives.

I believe that all women's clubs operating in USAREUR should reexamine their objectives to determine if they are in conflict with the gold flow problem. Having isolated these areas, I think it would be wise to consider if the objectives should be retained, modified, or eliminated.

I do not intend to convey the impression that all charitable activities should be suspended. Some charities cry out to us with a voice which cannot and should not be ignored. These might include support of refugee aid, old folks homes, and handicapped children or sponsorship of exchange scholarships. But each charitable activity might be surveyed and re-evalued. As a suggestion, you might ask yourselves the following questions:

First, can you substitute American food or goods for dollar support of the charity concerned? Or, can you give materials purchased from PX's instead of items bought on the economy? These substitutions may be made with prior clearance through your local Military Police Customs Unit.

Second, having made such substitution, if possible; how many dollars are going into the local economy as the result of the charitable effort?

Third, what is the benefit of your participation in the activity to host nation relations, or, the adverse impact on these relations should your participation be eliminated?

Finally, does the benefit of these relations, considering the amount of dollars involved justify continuing the charitable activity?

If answering these questions doesn't solve a specific case, then the decision will have to be based on the desires and good judgment of the woman's group concerned. Admittedly, in almost every case the decision will involve two somewhat conflicting objectives. On the one hand we must avoid unnecessary impairment of our present good relations with our German, French, and Italian hosts, but, at the same time, we should strive to show an annual net decrease in economy spending.

Having realined your spending objectives with the gold flow in mind, I suggest you next compute the amount of money you will need to attain these objectives. How will you raise this money?

Before suggesting means and methods of raising the funds for your activities, I must deal with the negative aspects of the situation—what is no longer permissible.

In the past, the women's clubs have normally relied heavily upon commissions received through the sponsorship of vendors of foreign goods. In many instances, this has been the principal source of revenue for their charitable activities. It has been a very effective and a pleasant way of adding to your welfare funds.

This can no longer be given military blessing. In accordance with Presidential directives to stem the flow of gold, I have issued orders to all commanders that USAREUR facilities can no longer be used by vendors of foreign goods. This order was effective yesterday, 15 March 1961. I might add that I was pleased to note in a recent newspaper article that your club has already decided to discontinue your annual fundraising bazaar, which was basically a fundraising measure of the type I have been discussing. I also want to congratulate you, the Heidelberg Women's Club and many others on your use of savings bonds as prizes in place of articles purchased on the economy.

In the future, fund raising will require considerably more effort and organization—and imagination. However, I don't visualize this as a serious problem. Women's clubs in the States have never had the commissions from the sale of foreign goods to draw on as a source of funds, yet many of them raise sufficient money to support large activity programs.

I offer the following money-raising suggestions with some hesitance, realizing full well that I am speaking to a group of fundraising experts.

There are a number of tried and true means of raising funds. They have been used in the States and overseas with considerable success. Some of these are white elephant or rummage sales. The German-American Women's Club in Heidelberg calls this type of a sale a "pfennig bazaar". I am informed that it has been quite successful as a source of raising money. I am sure that you are familiar with this type of sale.

Thrift Shops. I recommend more emphasis and support of thrift shops as a normal women's club activity. Operation of these shops can produce substantial amounts of money. At the same time, these shops assist in attaining two other important objectives—they help our people who cannot afford to purchase certain items at full price and they serve to keep others from spending on the economy. Please remember that, under the Status of Forces Agreement, thrift shops cannot sell to host nationals.

Sponsorship of large parties such as frontier days fiestas can produce large amounts of money; you might try western barbecues and folk dances. I am confident that you can visualize many more.

Stateside-type carnivals featuring the games and exhibits found in American fairs and midways are a source of entertainment as well as considerable profit. Also sponsorship of amateur shows, theatricals, and musicals.

Bake sales. I know of no more profitable business. It is a businessman's dream. No labor costs, no overhead at all, and your product is donated. I have been informed that within USAREUR bake sales average $100 per sale for 4 or 5 hours of effort.

These suggestions are but a few which have occurred to me. I know that your resourcefulness will produce many more.

Having estimated how much money you can raise through the various means available to you, I suggest that you compare this amount with the sum needed to support your revised objectives. Should you feel that you cannot raise enough funds for such support, you must, of course, further curtail your objectives or raise your dues.

Now I should like to take a few minutes to discuss an entirely different aspect of women's club support of the gold flow reduction. I refer to your actions as individuals.

Much concern was felt when restrictions were placed on dependent travel and we were faced with peacetime separation of military families.

When the restrictions were lifted, there was joy and a feeling of gratitude. But saying "Thanks, Mr. President," while it is the courteous thing to do, is not enough. We have to act individually and voluntarily to help solve the basic problem which caused the original no-dependents directive—the reduction of the gold flow.

Women are the key to the success of the individual spending program. You have a controlling influence on the purse strings in most families. A woman's expertness in household financial matters—getting the money, keeping it, and disbursing it only for good and sufficient reasons—is a fact of life which we men realize.

Our President realizes that fact; he has appointed a woman as Treasurer of the United States—Mrs. Elizabeth Rudel Smith. She succeeded another woman, whose signature graces the currency in your purse—Mrs. Ivy Baker Priest.

Total abstinence from buying on the economy is not expected. The objective should be moderation. This should include moderate touring, visitations to places of historical interest, and the usual vacation trips.

We are not required to lead Spartan lives, but we must each seek means to reduce our oversea expenditures. As you recall, the initial figure cited by the President was $80 per individual a year. You may have read recently in the Stars and Stripes that the Department of Defense announced a goal of $100 per year. We in USAREUR have publicized an "$80-plus" program per year and we will continue to support this hoping that each individual will reduce his expenditures by as much over $80 as is possible.

Keep in mind that this "$80-plus" per person is not going to be taken away from you and will not be reflected in your daily diet, shelter, or clothing. Commissaries, exchanges, medical service, and housing are still available. Clubs, theaters, and excellent recreational facilities are still available for your use. Actually, the only thing required of you is to spend at least $80 less on the local economy.

You may have also read recently that the administration has suggested we limit our purchases of foreign goods to $100 per year per person except for those which are purchased in exchanges and other U.S. outlets, or those which are required for operation of your household and which cannot be procured from U.S. sources. I think you will find that, except for those living on the economy, this proposed spending limitation is about the same as reducing our purchases by at least $80 per person annually. I suggest that most of us can accomplish this by watching closely our purchases of luxury items not necessary to our health or welfare.

Aside from careful monitoring of economy purchases, we can assist in slowing the flow of gold by exercising care in the use of our utilities. Wasting gas, water, and electricity is always frowned upon in efficient households. Now, such waste of our utilities will directly contribute to the gold flow, since the dollars which pay for utilities go into the economy of the host nation. The money saved by those in Government quarters can be used for other essential improvements.

I am certain there is one question which arises in the minds of all of you: How does this program affect my family vacation plans? I believe that trips and vacations are necessary for your health and cultural development—it is not our intention to suggest any severe limitations. Rather, we do suggest that you make maximum use of our Armed Forces recreational facilities and that you budget your trips carefully so as to keep within the spirit of our savings program.

I realize that the admonition to decrease or limit spending on the economy by various amounts per person per year is putting the accent on the negative. It is better to stress the positive.

Invest in U.S. savings bonds or if your husband is a soldier, sailor, or airman he can use soldier, sailor, or airman deposits—you serve your country and yourself; put your savings into any stateside investment or savings account. Thus, you will not only help to stem the gold outflow, but you build security for yourself.

There is still one more aspect to this problem of individual application where you can help. That is passing the word to women who are not members of your club. This is most important.

As I see it, this matter of passing the word has two aspects. First, we need all the help we can get to insure that all the dependents in the command are fully aware of the problem and their individual responsibilities in connection with it. The second aspect is maintaining interest in the matter. Eventually, the enthusiasm generated by the Presidential announcement that dependents would would be permitted to remain in Europe will begin to wane. However, the urgency of reducing the gold flow will not lessen until our Government's balance-of-payments problem is solved.

I feel that the women's clubs of the command will provide an ideal medium for maintaining lively interest in the program and for making sure that all of the wives of a particular area keep informed about the matter. These clubs, through their welcoming and hospitality groups and possibly through such means as panels and discussion groups, drives, individual calls, and similar means, can make a real contribution to our effort. In fact, I suggest that this be made one of the continuing objectives of your overall program.

You will note that I have said nothing today about the clubs which have joint American-host nation membership, such as the many fine German-American clubs here in Germany. I have omitted such mention on purpose. Needless to say, I will be pleased to note any actions taken by these groups in support of our gold-flow program; however, I feel that I would be out of order in making any suggestion to groups whose membership is not entirely American. The American members of such groups can derive guidance from what I have said previously.

It has been a genuine pleasure to be with you today, and I hope that my remarks will be of some assistance to you.

Please remember that my suggestions are only that, not directives. I suggest you watch the Stars and Stripes for further directives that may be issued by the Department of Defense on this subject. Of course, if they are in conflict with what I have said, then the new directives will apply. I know that you are fully aware of the moral obligation placed upon us to demonstrate in our own way that we as individuals will gladly share our country's problems and contribute to their solution. I also know that our American women will respond willingly to this challenge.

REDUCTION IN THE OUTFLOW OF GOLD

Background: Since receipt of the President's directive of November 16, 1960, this command has constantly explored ways and means of reducing the outflow of gold and has significantly reduced expenditures on the foreign economy. The actions taken can be divided into three areas. These areas together with reductions effected during calendar year 1961 are:

(A) APPROPRIATED FUNDS

(1) Eliminations, consolidations, reductions, or transfer to the United States of activities and facilities	$467,182
(2) Reduction of military personnel, civilian employees and foreign-national civilian employees	246,198
(3) Reduction of procurement oversea (supplies, services, and construction)	41,134,800
Total	41,848,180

(B) NONAPPROPRIATED FUNDS

(1) Consolidation, curtailment, or elimination of activities and facilities	513,160
(2) Reduction of nonappropriated fund employment overseas	2,105,256
(3) Replacement of foreign-national employees by dependent and off-duty military personnel	1,727,259
(4) Reductions of programed expenditures for foreign goods and services	40,299,131
(5) Reduction in concessionaire gross sales	131,495
Total	44,776,301
Total of (a) and (b)	86,624,481

Individual expenditures: It is not possible to measure with accuracy the reduction of oversea expenditures by individuals; however, major command emphasis and publicity have been given to this program and the following available statistics indicate USAREUR personnel's support of the program:

(1) The monthly dollar savings in USAREUR savings program have increased as follows for period January 1, 1961, through November 30, 1961:

	Dec. 31, 1960	Nov. 30, 1961	Increase
U.S. savings bond	$2,208,693.75	$2,908,447.05	$699,753.30
Soldiers' deposit	279,132.78	468,638.81	189,506.03
Total	2,487,826.53	3,377,085.86	889,259.33

(2) Parcel post shipments to CONUS, January through November 1961, totaled 10,147,516 pounds versus 15,014,104 pounds for same period of 1960; decrease of 32 percent.

(3) Postal money order sales January through September 1961, were $34,206,617 versus $31,820,793 for same period 1960; increase of 7.5 percent. Encashments for same periods were $3,089,545 in 1961 versus $3,676,827 in 1960; decrease of 16 percent.

(4) AMEXCO facilities in Germany sold money orders totaling $20,317,905 during period January through September 1961 versus $16,697,272 for same period 1960; increase of 22 percent.

(5) The number of individual checking and savings accounts in Germany increased between January 1, 1961, and September 30, 1961, by 6,633 (11 percent). The dollar value in these accounts also rose by $1,521,087 or approximately 7.5 percent.

(6) Membership in the various savings clubs organized throughout the command exceeds 85 percent.

(7) Savings bond participation rate increased to 70 percent in November 1961; 1 year ago it was 62 percent.

(8) Soldiers' deposits participation rose from 13 percent in January 1961 to 16 percent in November 1961.

(9) Gross sales in clubs and open messes have increased indicating greater patronage of the facilities by individuals.

Status: Continuing actions are being taken to develop new means of reducing the outflow of gold. A permanent committee has been established within Headquarters, USAREUR, to coordinate all matters which will improve the balance of payments. The most significant recent and current actions taken are:

(a) A list of possible means of further reducing the outflow of gold was provided to Secretary Ailes during his visit to USAREUR.

(b) This command is actively participating in plans for further negotiations with host countries to eliminate or reduce the imbalance of military expenditures through cooperative logistics, joint utilization of facilities, etc.

(c) Renewed command emphasis is being given to reduce the outflow of gold in all areas. A continuing publicity campaign is being prepared and conducted to inform USAREUR personnel of the facts and solicit additional voluntary reductions in expenditures on the economy.

HEADQUARTERS, U.S. ARMY, EUROPE,
OFFICE OF THE COMMANDER IN CHIEF,
APO 403, *July 13, 1961.*

Subject: Dollar shortages, fiscal year 1962.
To: Each comander, staff officer, and civilian supervisor, U.S. Army, Europe (down to and including company and detachment level).

1. The purpose of this letter is to insure that all USAREUR commanders, other officers, and civilian supervisors are fully oriented on the funding deficiences facing USAREUR in fiscal year 1962. In view of these deficiencies, I desire that each responsible individual in USAREUR examine those things he is doing or plans to do against this criteria: "Is this item important? Does it have priority meriting the expenditure of resources involved? Is this the most economical way of getting the job done?"

2. Each commander, staff officer, and civilian supervisor has developed a plan or program covering the activities for which he is responsible in fiscal year 1962. Some of these are stated in training schedules or formal programing documents. Others may be in the minds of the individuals concerned. Most of them require an expenditure of resources, either materiel which must be bought or replaced or actual dollars themselves. The sum of all these plans, programs, and ideas sets the courses of action for USAREUR in fiscal year 1962. The consolidation of these courses of action, together with the dollar resources required to implement them, are set forth in the USAREUR operating program.

3. The USAREUR operating program for fiscal year 1962 is faced with a funding deficiency of over $47 million. This situation has been caused principally by a lack of approximately $10.5 million for the initial issue of repair parts for new items of equipment such as the M-60 tank and the new rifles; $15.2 million to cover added dollar costs because of the recent deutsche mark revaluation; and $15.5 million for unprogramed pay raises for our essential local national labor employees. Funds currently available to USAREUR commands and field agencies are not adequate to provide either for these increased costs or for the mounting costs of goods and services which we contract for here in Europe. In addition, we are faced with the problem of the reorganization of USAREUR combat divisions. Therefore, to achieve our readiness objectives, we must spread our resources even further than we did last year.

4. I am proud of and have every confidence in the well trained and dedicated personnel of USAREUR. A good job is being done, but even more care and selection of those things we must do, as opposed to those things we would like to do, is now required. Our objectives for fiscal year 1962 are sound and must be met. Our ability to accomplish them rests with each of us. However, in my visits throughout USAREUR I have noticed certain things being done which to my mind are of questionable priority when measured against the current resource availability. There are many areas of possible savings. Those of you at the operating level are in the best position to identify those peculiar to your area of responsibiloty. To give you an idea of what I have in mind, the following examples—each involving large expenditures of funds—are cited:

(a) Consumption of supplies and equipment: Requisitioning should be based on actual needs only; hoarding or stockpiling must be eliminated.

(b) Transportation: Combining trips; fitting the load to the vehicle; riding to and from close-in training areas when marching would contribute to or not detract from training; elimination of unnecessary trips.

(c) Utilities: In spite of continuing command emphasis in this area, there is evidence of waste of this costly service.

(d) Modification and rehabilitation of facilities: Emphasis must be placed on necessary projects; those associated with beautification or nice-to-have will be eliminated.

(e) Civilian labor forces: All manpower requirements must be reviewed to insure most effective utilization.

5. I enjoin all military and civilian personnel in USAREUR to be aware of this problem in order that we can continue to accomplish our mission within the limited resources presently forecast for USAREUR. Savings, no matter how small, must not be overlooked in order that this command can maintain the highest possible state of combat readiness.

BRUCE C. CLARKE,
General, U.S. Army,
Commander in Chief.

DEPENDENT OVERSEAS—GOLD FLOW—TOUR LENGTH

(Revised February 5, 1962)

(General Norstad) (Mr. Secretary)

This first chart (chart No. 1 on) shows why the U.S. Army is in Europe. It is equally applicable to the soldier's dependents, who are similarly oriented. This why, in poster form, is always before the USAREUR soldier and his dependents. It gives them visible evidence of our objective and assists them in their motivation.

The subject of dependents overseas has been under close scrutiny since November 1960 because of the balance-of-payments problem. The emphasis and approach vary at the level considering the problem. This variance is understandable. (Chart No. 1 off.) With both the internal and external situations changing, the problem becomes increasingly complex.

Recognizing that overlap exists at each level, my next chart probably depicts at least the major areas of interest. (Chart No. 2 on.) Certainly General Norstad, wearing his SHAPE hat, is concerned with all of these considerations as they apply to NATO. Each area is integral to our overall readiness posture. (Chart No. 2 off.)

I propose to examine the effect caused by dependents in USAREUR on dollar spending, gold outflow, service attractiveness, and host country relations. Then I would like to compare the various impacts caused by reducing the dependents from their current level to lesser levels to include eliminating them from authorized status.

In developing this problem, many related studies from USAREUR, 8th Army in Korea, and other headquarters were considered. Any study on this subject must consider the length of tour and the type of replacement system required. In our present situation—that is, with the dependent population at its present level—there is no doubt but what the present tour system is optimum. It is based entirely on a system of individual replacements. Obviously, our present system could be replaced in its entirety or in part with a system of unit rotation in which the military members of affected units would serve shortened tours without dependents. The extreme, of course, is to envisage oversea service without dependents, and here again it is necessary to determine the most desirable length of tour and type of replacement system.

Let me touch briefly upon various types of unit replacement systems. I believe that you are familiar with the rotation of divisions and battle groups as was conducted under the Gyroscope program. Gyroscope was not successful because of the loss in operational readiness and the size of the increased CONUS base with its attendant costs. Previous estimates made by DA indicate that to support division rotation in Europe alone would require an additional 190,000 spaces in CONUS, with an initial cost of approximately $2 billion and an annual operating cost of $1.4 billion.

The DA next tried a different type of system in Korea called OVUREP (overseas unit replacement). This was at battle group level and was a distinct improvement with respect to training and operational readiness. It was, however, applicable to only one division in Korea and by the time of the Berlin crisis only two of the five battle groups had been replaced. Due to the increased manpower and dollar costs, it was limited to the one division. We now understand that this system has been suspended indefinitely. Except for the extended tour under the present crisis, the normal tour remains in Korea at 13 months without dependents and is based on individual replacements.

Last March the commander in chief, USAREUR, Gen. Bruce C. Clarke, made the strongest possible representations against any form of peacetime unit rotation—this without consideration as to the presence of dependents. From his viewpoint of 16 years of command experience from brigade through 7th Army and USAREUR command, and his vantage point as the previous commanding general, USCONARC, he set forth major disadvantages that far outweighed any possible benefits to be gained. These views are still considered valid and I have copies available if desired.

It must be understood that the types and distribution of units in the Army severely restrict our ability to support a unit rotation system. Units which lend themselves to rotation are primarily of combat and combat-support nature. Many CONUS units have continuing support missions such as school troops; others, such as the Strategic Army Corps (STRAC), have other critical missions; and few if any table of distribution (TD) units have a counterpart overseas.

The rotation of an entire unit into and out of USAREUR reduces the availability of a combat-ready unit by a length of time proportionate to the size and strength of the

unit. This ran 6 to 9 months for divisions under Gyroscope. This lessened the availability of units and the requirements for continuing reorientation of commanders and staffs reduces our ability to meet contingency commitments. Certainly it would be most difficult to rotate armored cavalry regiments engaged in border surveillance special weapons units with critical maintenance and custodial support missions or service-type units supervising large numbers of indigenous employees.

Realizing that the ratio of the present support establishment which is 60 percent CONUS and 40 percent overseas, it is considered that the ratio to support oversea forces maintained solely by unit rotation would run as high as 3 to 4 to 1 depending upon the length of the tour and the extent to which unit replacement was used. This might even run higher due to the size, complexity, and diversity of missions assigned to the U.S. Army in Europe.

Were there an increase in the Conus base and assuming the required funding support, it would be possible to rotate combat units at battalion and battle group levels on a 6-month or comparable basis as long as the number being rotated does not become excessive at any one time in the division or other formation. The 6-month rotation of battle groups of the 4th Infantry Division following Exercise Long Thrust may provide a limited basis for testing the feasibility of such a plan. Of course, the question of per diem while on temporary change of station (TCS) would increase overall rotation costs; however, we understand that this is under advisement at the present time and that the morale implications will also be considered.

Other factors to consider are the increased transportation costs; the increased maintenance workload and costs; the aforementioned loss of combat readiness; not only overseas but in Conus; and, finally, the difficulties inherent in coming up with a unit in which all personnel have a retainability of at least 6 months.

Any plan of unit replacement which would effectively reduce numbers of dependents would have to be on a large scale, and this would undoubtedly keep the strategic Reserves in Conus in a constant state of turbulence.

Under Gyroscope we could not continue and still retain STRAC as a ready force. The alternate is a vastly increased Army strength that would meet all our manning-level requirements.

We feel that these considerations are major obstacles to any form of short tour unit rotation on a USAREUR-wide scale. It can be done on a limited basis, but we feel even that would result in greater dollar spending and an insignificant reduction in gold outflow.

Our next step was to examine a situation overseas without any authorized dependents and to determine the most desirable length of tour on that basis. Since we do not have the long turn-around time that exists in the Far East nor its economic and sociological austerity, it was indicated that we could exceed 13 months. A longer tour such as 24 to 36 months without dependents seemed out of the question; otherwise we would find career soldiers spending over half of their military service in oversea tours without their families.

The makeup of our Army today consists of 85 percent who can be called career soldiers and 15 percent selective service. We could enlarge the Regular Army base with some deterioration in quality and an older army, but the best way to meet the increased manpower needs necessitated by the larger CONUS support base would be to increase our number of draftees—unless, of course, we did away with STRAC.

Our best estimate is that if we maintained troops overseas in Europe without authorized dependents, that about 50 percent would have to be draftees. This ratio would be even higher with the unit rotation system. Draftees serve for 24 months; their basic, advance, and specialist training and leave and travel time are such that we could get about 16 months proper utilization from them on an individual replacement basis. Nevertheless, we would still find the married career soldier serving practically all of his oversea service without his family.

To effect real dollar savings and to be fully operationally ready, we also looked into the shortened oversea tour—6 to 16 months without dependents—under austere field conditions. This would mean moving out of existing facilities in order to eliminate the required maintenance and upkeep and to improve tactical positioning. Unfortunately, this is just about impossible because bivouac and training areas are just not available in Germany or elsewhere in Europe. Even 6 months is a long time in peacetime to be training under adverse conditions. The use of personnel in time of peace has to follow a more lenient process than that required under the emergency powers of the President.

Considering these factors, and also our large investments in existing facilities, we felt that whatever the length tour and type rotation system, whether individual or unit basis, we should continue to utilize existing facilities under our current moderate standard of troop living.

While we feel that unit rotation is not acceptable except on a small scale, we do feel that a 16-month tour without dependents on an individual replacement basis is fully supportable based on its lessened impact on our training program and operational readiness and to insure the maximum utilization of draftees. Such a system is about the least costly in dollars, morale, and operational readiness of any of the alternates. A lesser tour or an extensive unit replacement system is too costly. A longer tour on any basis, except for the present system, is even more costly in its loss of service attractiveness. I trust that this will establish the parameters of the briefing.

I now propose to show how much it costs to have dependents in USAREUR, as at present, and I will compare this to the dollar costs of not having authorized dependents in the theater. I will then present the advantages and disadvantages without dependents, touching briefly on those areas having a major impact. Lastly, I will summarize the costs in both dollar spending and gold outflow; I believe that you will find this comparison to be most revealing.

This chart (chart No. 3 on) indicates the costs of dependent support for a USAREUR dependent population of 180,000 which is about what we have now. For political reasons Berlin has been excluded. It considers a military strength in USAREUR of 240,000.

Here we show both the appropriated fund and nonappropriated fund costs. We also show the gold outflow represented by wages, services, and materials to include offshore procurement for dependent use in commissaries, exchanges, and class VI. Without the dependents we would eliminate the dependent education program and the University of Maryland branch at Munich, as well as the construction costs related to additional schoolrooms. We would also eliminate the services and support activities reflected on this chart although, as I will show on another chart, it will be necessary to crank some of these costs back in when we use the housing for other military purposes.

Even the cost of transportation to bring dependents to and from overseas is not necessarily a true savings as the transportation organization, principally MSTS and MATS, currently supporting the movement of dependents, must remain in being anyhow for necessary troop movements and contingency planning. The efficiency with which Roundout and Long Thrust units were recently moved to the European theater is a good example of the benefit derived from an inhouse shipping capability. We would eliminate most of the cost of dependent medical care, but again, some of this will reappear as an added cost because we are obligated by law to provide medical support even for unauthorized dependents.

We would, of course, eliminate the requirement for supporting youth activities and community centers; but some of these costs reappear when community centers are converted to service clubs. Minimized will be the cost of the planned evacuation of dependents, for which $193,000 is now expended annually in testing of plants, and rotation and security of stocks. Thus we see savings in the initial amount of $153,700,000 in appropriated funds and $16,700,000 in nonappropriated funds. Approximately $132 million can be related to the outflow of gold through wages, services, and materials.

In support of these activities there are 1,100 military, 3,400 U.S. civilians, and 22,000 LWR full-time and full-time equivalent personnel being utilized. In the case of military personnel, some would be retained in their current assignment as the function will still exist (e.g., supervisory personnel in the European Exchange System (EES)) while others would be reassigned to, or otherwise utilized in, purely military duties. The 3,400 U.S. civilians are mostly dependent schoolteachers who would no longer be required.

Despite these apparent savings, a key consideration when thinking of "no authorized dependents" is that there are over 43,000 sets of family quarters in Germany, built by the Germans at no cost to us, which saves the rental allowance for the U.S. Treasury. Our only cost is for normal repairs and utilities which were included in chart No. 3. These rental savings for the Treasury amount to more than $46 million annually. (Chart No. 3 off.)

Now in the event there were no authorized dependents in the theater, there would still be added annual costs which would accrue to USAREUR. This next chart (chart No. 4 on) shows these areas and estimated costs.

We would continue to utilize the former dependent quarters as BOQ's for officers and NCO's and for other military purposes. Repairs and utilities, together with other required upkeep would continue in the amount of $41,100,000.

With an increase in Selective Service input and in unaccompanied sponsors, we would have to expand our general education development program for military personnel to the tune of $1 million a year. Similarly, we would have to expand our special services program to include the hire of special service workers by $650,000 in order to meet the demand for increased athletic and recreational activities.

An interesting point to note—at the present time special services activities in USAREUR are 90 percent supported from nonappropriated funds. We receive our nonappropriated money from the central welfare fund which is supported by profits from the post exchanges. But with no authorized dependents in Europe, the European Exchange System (EES) estimates a major reduction in their profits—on the order of $5 million, which would not be returned to us as dividends. Hence, with a reduced ability to fund from nonappropriated funds, and an expanding special services activity, our only recourse would be to offset the loss in revenue with appropriated money in order to maintain even a moderate athletic and recreational program.

Our best estimates are that we will have unauthorized dependents in USAREUR to the extent of 13,000 families, totaling 40,000 de-

pendents. Medical care, required by law, will total $2,200,000 alone. Thus we see $50 million accruing as a new annual USAREUR cost for the remaining military personnel.

One item not included in the foregoing consideration has to do with the shipping costs of privately owned motor vehicles, which were costed under the situation of having dependents overseas. Unless denied by proper authority, these will continue coming overseas even though the dependents themselves are not coming. While there will be fewer vehicles, nevertheless, we estimate 5,000 a year coming from CONUS and 4,500 (attrition) a year returning from overseas. Factored at $339 shipping cost per vehicle, this amounts to $3,200,000 which would probably have to be paid by DA. Prohibiting transportation of autos overseas at Government expense would bring about a major increase in local purchase. There would also be a major increase in demand for official Government transportation. Private vehicles are used now by the owner for a major part of his official travel. An estimated 75 percent officers and 25 percent enlisted men could be expected to acquire cars. This would constitute a continuing gold outflow problem for which controls would be most difficult to enforce (chart No. 4 off).

Additionally, there are certain costs in CONUS which DA must support. This next chart (chart No. 5 on) lists those areas and estimated costs. First it will be necessary for DA to pay basic allowances for quarters (BAQ) to those personnel whose dependents are forced to remain in CONUS, for as I mentioned before, there are over 43,000 families now living in Germany alone in quarters which cost the U.S. Government nothing to build. There will be an increase in military travel to USAREUR from CONUS and return. This will average 12,000 enlisted and 2,000 officers a month over the present rate. Factored at an average cost of $220, this amounts to approximately $37 million yearly.

Also, each time a military sponsor is ordered to or from overseas, DA must pay the cost of his family's movement with CONUS as well as the dislocation allowance for permanent change of station (PCS). The more frequent the tour, the greater the number of dislocations. Tuition grants to schoolchildren returned from USAREUR to CONUS will have to be paid for by the Federal Government under the Health, Education, and Welfare program. The number and size of grants will be dependent upon the localities involved. The cost of Medicare will be increased by the difference in oversea medical support and CONUS support.

With regard to rental guarantee housing in France, the DA would have to pay $1,200,000 annually to fulfill their remaining contractual commitments, some of which extend into late 1964. Even if these were to be used by unaccompanied sponsors, the same rental costs would be incurred by the Army. All of these total $158,400,000.

In order to support the 16-month oversea tour in USAREUR some increase to the CONUS support base will be necessary. For support of USAREUR alone, we envisage an increase of 35,000 in the training base, 8,000 in the required post-camp-station augmentation and the aforementioned pipeline of 2,000 officers and 12,000 enlisted personnel. Based on this increase in the support base of 57,000 to maintain the 16-month unaccompanied tour we arrive at a figure of $384,500,000. Please note that this covers per capita costs for the training base, augmentation and pipeline only. This does not represent the overall DA figure which could conceivably be much higher when O&MA, MCA and PEMA costs are added. The additional DA cost to support a 16-month unaccompanied tour in USAREUR is estimated to be $542,900,000 (chart No. 5 off).

Up to this point I have dealt primarily with costs and numbers of personnel. I would now like to discuss the advantages and disadvantags of a 16-month tour in Europe without dependents. This next chart (chart No. 6 on) lists the advantages.

I believe that these are self-explanatory. The first does represent a substantial dollar savings and the indigenous wages are gold outflow. There will be some administrative relocation possible for improved convenience, but tactical regrouping will not be feasible. Including the LWR salaries in item I, the gold outflow in appropriated and nonappropriated fund areas under item 4 will total almost $132 million. Item 5 is probably the most significant advantage; however, it is only fair to point out that we do have carefully tested plans for the evacuation of dependents under all types of emergency situations and we feel their evacuation can be accomplished with minimum interference with tactical operations (chart No. 6 off).

This next chart (chart No. 7 on) lists the disadvantages (chart No. 7 off).

Some of these disadvantages I've already touched upon, and others are obvious and need no explanation. However, I would like to elaborate on the impact in certan key areas. First, to cover the community and host country relations. Within USAREUR the stabilizing influence of families is considered to be one of our greatest assets in host country relations. At higher levels it is a country-to-country relationship, but at the grassroots of the command, it exists as a person-to-person relationship. This also applies to the British and French forces as well, since they have their dependents with them in Germany. With a weakening of this relationship, more incidents, accidents and serious crimes can be expected to result in a greater proportion of adverse publicity which would be subject to Communist exploitation. If there should be a resulting demand for U.S. troops to go home as was started in 1956, we would have already lost the cold war and maybe the strength of NATO.

A serious and most likely consequence of the withdrawal of dependents would be the impression created in the minds of allies and neutrals alike that this move was a prelude to the withdrawal of U.S. Forces or that such a move in case of trouble would come about. It would be difficult to counter this impression even with a rational argument.

The impression once created would jeopardize the very existence of the free world security structure which has been painstakingly developed over a number of years at great expense. A daily perusal of English translations of local newspapers indicates their constant hope for continued security manifested by the presence of American servicemen and their families in Europe.

The next impact area is continuity of operations. There are many implications caused by the shortened tour, which causes a much higher rate of movement both into and out of the command. Combat ready units would be in existence for shorter periods of time, and training would be in a constant state of flux. Considerable personnel turbulence would be experienced. This would be felt particularly at headquarters at all tactical echelons and in service-type units and installations. Key staff officers involved in programs, policy, and planning would be lost right at the peak of their effectiveness. The requirement for people of this caliber and background, already a scarce commodity, would double. No longer would rotation of senior officers between command and staff be feasible as is now under the stabilized tour. There would also be a lack of continuity in command and staff direction. Long-range projects would suffer.

More rapid turnover of personnel and fewer professional soldiers in units would tend to degrade readiness. In addition, it would not be possible to insure the degree of stability in assignments within Conus, including Strac units, as is currently done.

In specialized areas, such as Intelligence and Special Forces activities, the impact would be out of all proportion. Linguists and interpreters, specialists, and personnel engaged in special operations would be in the theater such a short period that the time and effort spent on their specialized training would be scarcely justified. Hard core civilian career personnel would be difficult to obtain and a reduction in the quality of those we do recruit could be expected. These civilians now occupy positions which are either difficult or impossible to fill with military personnel.

The rapid turnover of maintenance, custodial, and management personnel would reduce efficency in these areas. This is a responsibility of the Army which costs the American taxpayer over $3 billion a year.

The problem of continuity of operations in Korea is very real with the 13-month tour. This is now being overcome in part by a 24-month tour with dependents authorized for key personnel. To effect such a plan in Europe places dependents back with us again and the problem of support starts all over. Certainly they are already being demanded by unified command, MAAG's, missions and attachés; however, General Clarke has indicated he would not want USAREUR Headquarters on a privileged basis compared to the rest of his command. The next question is where would you stop? In Korea, because of the locations of the fewer headquarters involved, the existing austerity and the lack of attractiveness, the problem has a smaller impact than in Europe. Here, preferred treatment for certain dependents could conceivably lead to a charge of having two sets of standards for military personnel in Europe—the "haves" and the "have nots."

The next area I would like to mention is morale and attractiveness of the services. Inasmuch as the frequency of the oversea tour will increase, military personnel can expect to be separated from their families over 50 percent of the time. Compassionate leaves and transfers will increase. A higher cost of living accrues to married personnel since they would be required to maintain two domiciles. The rate of divorce, broken homes, and juvenile delinquency can logically be expected to increase.

Recruitment and reenlistment would understandably drop off sharply since the service will have lost its attractiveness in many areas. The DA advises that a 1 percent drop in E–4 reenlistments costs $8 million. Retention of officers and key NCO's would become increasingly difficult. Junior officers, particularly those from ROTC sources, will move into private industry because of prospects of higher pay, career stability and lack of attractiveness of a service career. We must not overlook that the one thing that causes most young officers to resign is the dissatisfaction of their wives. Many military personnel already meeting the minimum requirements will apply for retirement, thus adding to the drain on the Treasury. The outstanding 10 percent of the officers and 25 percent of the NCO's who are so badly needed in an emergency would probably not then be available.

Under normal conditions, the average waiting period for quarters in Germany is about 9 months. Thus service in Germany, where the bulk of USAREUR is located, already carries with it about a 9 months separation for families unless they come over and live on the economy until they get quarters. We cannot see how any enforced separation, such as waiting 1 year before dependents are authorized, would significantly lower the dependent population.

It appears that there are no ends to which many servicemen will go, within their financial limitations, to keep their families together. From October 9 to November 26, 1961, there were 1,666 families representing 3,493 dependents that arrived in USAREUR in unauthorized status at their own expense. About two-thirds of these sponsors were enlisted men. We estimate that about 40,000 unauthorized dependents will be in this command at any given time, regardless of the restrictions and even the possible elimination of all dependent support. We might point out that eliminating all support is highly doubtful. Certain support, such as medical service, is directed by law. Other support—commissary and PX—by custom of the service are fringe benefits that are tied directly to career attractiveness and by Department of Defense direction may not be taken away by reason of unauthorized status. It would be impractical to give commissary and PX support to a sponsor and not to his family.

Part of the current attractiveness of the service since World War II is due to the fact that Europe has always been a desirable oversea tour with dependents. Military personnel serving a hardship tour in the Pacific area without dependents now feel reasonably certain that their next oversea tour will be with dependents in Europe. This has a favorable influence on reenlistment. It is interesting to note that on this particular point, General Meloy in Korea recently said: "Morale of personnel in Korea is now reasonably high in spite of family separations because the unaccompanied tour in Korea is accepted as necessary in (the) Army career pattern. Personnel serving in Korea look forward to return to CONUS duty and an accompanied tour in Europe. An unaccompanied 16-month tour in Europe would be a blow to morale and could result in increased loss of many competent officers and NCO's."

I would now like to summarize where we stand on the costs of having dependents overseas as compared to having dependents remain in Conus (chart No. 8 on).

There is a summary of costs taken from charts you have already seen. You will note the cost to the Department of Army to support the dependents back in CONUS, the partial cost to DA to expand the enlarged CONUS base, and finally, the new annual cost to USAREUR. From this total, we have subtracted the cost of our current USAREUR dependent support program. Therefore, based on our best appraisal and considering the impact on both USAREUR and Department of Army, we have concluded that it would cost the Army a minimum of $422 million more by not having dependents in the theater.

Thus far we were able to identify approximately $90,400,000 more in gold outflow required for the support of USAREUR dependents in this theater than if they were to remain in CONUS. This figure is directly related to the wages of LWR and U.S. civilians, services, commodities and transportation (chart No. 8 off). One facet we have not yet discussed is the gold outflow on the local economy through personal expenditures of military personnel and their dependents (chart No. 9 on). At the present time we have all five categories shown present in USAREUR. The big spenders are those sponsors on the economy and, perhaps understandably, the unmarried officers and enlisted men. Those percentages shown are within the range of similar studies made last spring in connection with balance of payments problems. They were confirmed just last week when, using the five categories shown on this chart, we ran a 10 percent survey throughout all of USAREUR including France and Italy as well as Germany. We are advised that surveys of this nature can be considered as 95 percent accurate (chart No. 9 off). This survey also provided us with the annual average expenditures on the economy for each category by pay grade. This is reflected on the next chart (chart No. 10 on).

Here we show the numbers in each category times their yearly expenditures in the form of gold outflow and you will see that we spend about $105 million in personal expenditures. Incidentally, these figures include local purchases, gifts, travel, entertainment, rentals, and the like.

Now assuming the same spending habits or percentages of gold outflow from personal expenditures, the right-hand column reflects the total that would be spent if there were no authorized dependents in the theater. We would continue having about 13,000 unauthorized families living on the economy with demonstrated high gold outflow tendencies. With a higher percentage of draftees in the theater, we would probably have more unmarried enlisted men who have also shown a proclivity for spending on the local economy, although this consideration is not reflected on this chart. Here we see that there is about $12 million less gold outflow by virtue of not having authorized dependents in the theater.

This figure is suspect, however, because our experience in the past indicates that the personal expenditure habits of military individuals goes up considerably without the stabilizing influence of families overseas.

I am sure that the experiences of U.S. corporations doing business overseas will bear this out. Going back to chart No. 9 (chart No. 10 off—chart No. 9 on) I show (flap No. 1 on) in red after categories III, IV, and V our best estimate as to the level of these changed spending habits. Applying these percentages to chart No. 10 (chart No. 9 and flap off—chart No. 10 on) you will see a projected upswing (flap No. 1 on) in personal expenditures based on these increased spending habits. Here we see a definite reversal in gold outflow and while we cannot base valid estimates solely on the premise of increased spending habits, nevertheless I believe it does lead to conjecture that perhaps there would not be any less gold outflow from personal spending should there be no authorized dependents in the theater (chart No. 10 and flap No. 1 off).

Several interesting facts were uncovered during the course of the development of this presentation.

1. The Survey of Current Business, dated June 1961 (vol. 41, No. 6), published by the U.S. Department of Commerce, indicates 832,000 American tourists visited Europe during 1960 and spent an estimated $840 each, excluding transportaton, at a total cost of $704 million with the 1961 figure predicted as being slightly higher. The total is raised to $934 million when $230 million transportation on foreign flag vessels is added.

2. Inflationary factors in the local economies will increase next year's USAREUR operating costs over this year's by $73 million, of which $56 million will be gold outflow. This points out that the factors influencing the gold outflow, by virtue of the troops being in Europe, are dependent upon much more than the presence of dependents. In fact, if no dependents were in USAREUR, the increase in gold outflow, because of these inflationary factors, would not be materially reduced.

3. Despite the trying and critical times in which we live, as of my departure, only one military sponsor out of all of the personnel in USAREUR had asked to send his dependents home because of his concern over the international situation.

4. Last September General Clarke instituted a measure to improve operational readiness which required all military personnel not on duty to be in their quarters by midnight. Aside from the increased readiness of the soldier to perform his training tasks, and the reduced number of incidents and traffic fatalities, there has been a marked decrease in gold outflow because previously practically every dollar spent after midnight necessarily had to go into the local economy.

5. Not counting Berlin, USAREUR is now giving some measure of support to over 10,000 nonmilitary U.S. dependents. These being in Europe affect the outflow of gold as much or more than a comparable number of military dependents.

6. The drive to reduce the outflow of gold last spring was entered into enthusiastically by the soldiers and their dependents in USAREUR. In fact, the President's goal was more than exceeded for some time. The program partially died when it became apparent that the bulk of the gold outflow problem was being placed on the serviceman and his family. Nevertheless, over 80 percent of all USAREUR personnel are continuing to participate in a formal savings program—to the best of our knowledge this is not equaled anywhere else within the Defense Establishment. However, the curbing of gold outflow can easily be reemphasized within USAREUR with good results if our military personnel and their families realize that the gold flow problem is a major one and that—on a national scale all Americans should be—and are helping—not just the serviceman.

In summary, I believe that I can state fairly that without dependents there will be an increased dollar outlay, a lessening of morale and service attractiveness and poorer host country relations. Operational readiness will suffer in most areas except for minimizing the burden of noncombatant evacuation.

Between these two extremes there are varying degrees of unit rotation that might be considered. We feel that almost any extensive use of unit rotation will cost more money and that both operational readiness and host country relations will suffer.

The Army in Europe is conducting a $3 billion a year business. We cannot manage this efficiently if management is to be treated on a transient basis.

General Clarke does feel that it might be feasible to try out some type of unit rotation on a very limited and pilot model basis. When tested and thoroughly evaluated, we should have a practical and valid basis for costing and factoring the impacts of such a system.

Meanwhile, it is felt that the present system of tour length, individual replacements, and maintaining dependents at their present levels has been developed over a considerable period of time and, in addition to being thoroughly workable, it is probably the least expensive considering all factors.

Sir, this concludes my briefing.

CHART NO. 1

SOLDIER—THIS IS WHY YOU'RE IN EUROPE

To play your part on the NATO team.

To help maintain the peace by being constantly combat ready.

To be a good neighbor to our allied neighbors.

To fight, if necessary, for the rights of freemen in a free world.

CHART NO. 2

HOW DEPENDENTS ARE VIEWED

DOD, SHAPE, DA, USAREUR: Dollar savings, political considerations, service attractiveness and morale, operational readiness.

CHART No. 3

Annual USAREUR dependent support costs

[Million dollars]

	Aprop funds	NAF	Total	Gold outflow
I. Education	27.6	1.2	28.8	8.4
Deg	(26.4)	(1.2)	(27.6)	(7.3)
University of Maryland	(.05)		(.05)	(.04)
MCA	(1.1)			(1.1)
II. Services and support	125.6		125.6	83.9
Housing	(41.1)		(41.1)	(38.5)
Transportation	(52.8)		(52.8)	(5.7)
Medical	(9.9)		(9.9)	(3.0)
Commissary	(21.8)		(21.8)	(36.4)
Bakeries [1]				(.05)
Dry cleaning and laundry				(.29)
III. Miscellaneous	.5	15.5	16.0	39.7
AYA-Scouts-Comm. Cen	(.34)	(.5)	(.84)	(.14)
Class VI		(.1)	(.1)	(.40)
EES		(14.9)	(14.9)	(39.0)
NEO	(.19)		(.19)	(.04)
Total	153.7	16.7	170.4	132.0

[1] Reimbursable.

CHART No. 4

Added annual USAREUR costs, 16-month tour, without dependents

[Million dollars]

	Aprop funds	NAF	Gold outflow
1. Housing (BOQ, troop housing)	41.1		38.5
2. Expansion GED	1.0		
3. Expansion spec SVC	.7		.1
4. Loss to central welfare fund	5.0	(5.0)	
5. Support unauthorized dependents	[1] 2.2		.7
Total	50.0	(5.0)	39.3

[1] Medical only.

CHART No. 5

Additional annual Federal costs result 16-month tour without dependents

[Million dollar]

	Aprop funds	Gold outflow
1. Increased number allowances paid for quarters	49.7	
2. Transportation costs (increased military pipeline) [1]	37.7	[2] 2.3
3. Increased travel (dependents in CONUS)	53.0	
4. Tuition grants	11.6	
5. Medicare	5.2	
6. Rental guarantee housing	1.2	1.2
Subtotal	158.4	3.5
7. Expansion CONUS base	384.5	
Total	542.9	3.5

[1] Includes over $700,000 for 50 percent increase in compassionate travel.
[2] Port handling and railroad costs in Europe.

CHART No. 6

ADVANTAGES OF 16-MONTH TOUR WITHOUT DEPENDENTS

1. Eliminate 3,224 U.S. civilian and 18,065 LWR spaces at a salary savings of $55 million in USAREUR.
2. Effect relocation of selected administrative and logistical groupings.
3. Reduction in administrative effort required to support dependents overseas.
4. Reduction in outflow of gold in appropriated and nonappropriated fund areas.
5. Minimize encumbrance of dependents in event of emergency.
6. Permits military personnel to devote full time to primary mission.

CHART No. 7

DISADVANTAGES OF 16-MONTH TOUR WITHOUT DEPENDENTS

1. Lower morale.
2. Deterioration of host country relations.
3. Combat effectiveness and operational readiness will suffer due to rapid turnover in personnel.
4. Loss in continuity of command and staff direction.
5. Loss in continuity of intelligence and special operations.
6. Increase in compassionate factors.
7. Increase in frequency of oversea tour and length of family separation.
8. Increase in accidents, incidents, and serious crimes.
9. Reduction in recruitment, reenlistment, and retention.
10. Loss of career civilian personnel.
11. Increase in overall dollar outlay.
12. Reduction in effectiveness of Starc in the ZI.
13. Increase in CONUS base and in the "personnel pipeline."

CHART No. 8

Summary—Added annual costs to support 16-month tour without dependents

[Million dollars]

	Appropriated nonappropriated	Gold outflow
Added (Federal) DA costs	158.4	2.3
Added cost to expand CONUS base (estimated)	384.5	
Subtotal	542.9	2.3
Added USAREUR costs	50.0	39.3
Total	592.9	41.6
Less present USAREUR dependent support costs aprop funds (153.7) NAF (16.7)	−170.4	−132.0
	422.5	−90.4

CHART No. 9

Gold outflow from take-home pay

[Percent]

	Result of survey	
I. Accompanied sponsor in Government quarters	9.7	
II. Accompanied authorized sponsor on economy	34.0	
*III. Accompanied unauthorized sponsor on economy	41.0	50
*IV. Unaccompanied sponsor	13.0	20
*V. Unmarried officers and EM	26.0	30

NOTE.—Figures in rightmost column represent new figures without dependents.

CHART No. 10

Personal expenditures contributing to outflow gold [1]

	With dependents	Without dependents
I. Accompanied sponsor in Government quarters (W/depn—44,074×$367)	$16,175,158	
II. Accompanied authorized sponsor on economy (W/depn—11,229×$1,225)	13,755,525	
III. Accompanied unauthorized sponsor on economy (W/depn—13,274×$918)	12,185,532	$12,185,532
(W/o depn at increased rate—13,274×$1,120) [2]		[2] (14,866,880)
IV. Unaccompanied sponsor (W/depn—15,655×$324) (W/o depn—70,958×$324)	5,072,220	22,990,392
(W/o depn at increased rate—70,958×$498) [2]		[2] (35,337,084)
V. Unmarried officers and EM (W/depn—155,768×$372)	57,945,696	57,945,696
(W/o depn at increased rate—155,768×$430) [2]		[2] (66,980,240)
Total	105,134,131	93,121,620 [2] (117,184,204)

[1] Based on survey findings.
[2] Condition without dependents at increased rate.

Mr. Speaker, it was with a deep sense of personal obligation and a rooted feeling of appreciation that each of us accepted the invitation to travel across the sea at Eastertime to be briefed informatively and participate in field operation and study of various phases of our assignment as Congressmen.

The distinguished escorting officers who bent every effort to supervise arrangements, conduct, advise and control our actions as well as adding to our comfort and well-being. These superb military leaders honored us by their interest and presence. The pleasing personalities of these gentlemen of class made our fatiguing and exhausting tour a proud and happy one. We owe a debt of gratitude to Maj. Gilmen I. Larson, Capt. Ben W. Sherrill, Jr., Capt. Ray Smittle, Jr., Maj. William E. Seil, Capt. Wentworth Brackett, S. Sgt. John I. Ellis, T. Sgt. Orson L. Kelly, Jr., and T. Sgt. Kenneth E. Mayo, the flight crew and attendants, for their many contributions to the success of our undertaking.

The reorganization of the Army was proposed by the Secretary of the Army, Elvis J. Stahr, Jr., in a statement released by him as follows:

STATEMENT BY SECRETARY OF THE ARMY ELVIS J. STAHR, JR., ON REORGANIZATION OF THE DEPARTMENT OF THE ARMY

I am announcing today a six-point plan to accomplish a major reorganization of the Department of the Army.

This plan is based upon a comprehensive study prepared over a period of many months by a group of some 60 highly qualified Army officers and DA civilians, under the direction of Mr. Leonard W. Hoelscher, Deputy Comptroller of the Army. The group was appointed by me last February, and was drawn from all branches of the Army and from a variety of commands and logistical installations armywide. Its report was completed in early October 1961 and then reviewed by a select group of senior officers on the Army Staff. The recommendations of the Hoelscher committee and of the reviewing group were then considered at length by the Chief of Staff and me in conjunction with our principal military and civilian advisers. The resultant plan has been approved by the Secretary of Defense and the President.

The objectives of the reorganization are to:

1. Eliminate duplication of effort and excessive fragmenting of functions, responsibilities, and resources.

2. Consolidate responsibilities for personnel management, training, combat developments, research and development, and logistics functions in the smallest practicable number of commands and agencies.

3. Provide an organization which is better alined to changes in the general defense environment which have evolved since 1953, the date of the last comprehensive study of the Department of the Army organization.

4. Improve effectiveness by more clearly fixing responsibility for accomplishment of major tasks and by simplifying and strengthening the command and management structure.

5. Provide for more flexible use of the skills and capabilities of military personnel and for correspondingly broader technical opportunities.

6. Delegate to subordinate commands and agencies all functions which need not be performed at the level of the Secretary of the Army and the Army General Staff.

The reorganization plan calls for these six main actions:

1. Establishing a Materiel Development and Logistic Command to perform the materiel development, procurement, and supply functions currently divided among several of the technical services, and the service test and evaluation function currently assigned to the Continental Army Command.

2. Establishing an Army Combat Developments Command to perform combat development functions presently assigned to CONARC, the technical and administrative services, and other agencies.

3. Assigning to the U.S. Continental Army Command responsibility for almost all individual and unit training throughout the Army.

4. Relieving the Department of the Army General Staff of certain commandlike and operating functions to permit greater emphasis on planning, programing, policymaking, and general supervision of the overall effort.

5. Establishing an Office of Personnel Operations at the Special Staff level to control centrally the career development and assignment of military personnel—both officer and enlisted.

6. Realining the Department of the Army Special Staff and operating agencies to reflect the establishment of the two new commands, the expansion of CONARC's training responsibilities, and centralized control of military personnel management.

I anticipate that approximately 18 months will be required to carry out the reorganization. When this task is completed, I am confident that the Army will be able to operate with greater effectiveness, efficiency, and economy.

MATERIEL DEVELOPMENT AND LOGISTIC COMMAND (MDLC)

The Materiel Development and Logistic Command (MDLC) will perform the wholesale materiel functions—research and development, procurement and production, inventory management, storage and distribution, maintenance and disposal—now assigned to the Technical Services. It will test new weapons and equipment, a mission now assigned to both the Continental Army Command and the technical services.

The MDLC will control the development, testing, production and supply of materiel, including operation of laboratories, arsenals, proving grounds, test ranges, depots, and transportation terminals. It will provide command supervision over the critical transitions from development to production to supply. This will enable the Army Staff to look to one source for information on wholesale materiel matters and associated transportation services.

This change will not discontinue the Technical Services as branches; nor will there be any significant changes in the arsenals, laboratories, depots, test ranges, or installations. Rather, the control and direction of these installations will change from the Technical Services to the Materiel Development and Logistic Command.

The organizational structure of the MDLC will permit broad utilization of the project management concept.

Placing development, production and supply functions in a single command will facilitate combined engineer and service testing, reduce requirements for lateral coordination, and shorten leadtime.

Test agencies and other elements of the command will be staffed with combat arms personnel, as well as technical service personnel to insure that combat requirements of the ultimate user are clearly met.

MDLC will have five development and production commands which will have central responsibility for procurement in support of the wholesale materiel area of the Army. Procurement at installation level will be limited to support of local operating requirements. Each of these commodity commands will place and administer contracts at its headquarters installations, thereby centralizing administrative and technical decisions.

ARMY COMBAT DEVELOPMENTS COMMAND (ACDC)

An Army Combat Developments Command (ACDC) will accomplish combat development functions presently assigned to CONARC, the Technical and Administrative Services, and other agencies. These functions will include the development of organizational and operational doctrine, materiel objectives and qualitative requirements, war gaming and field experimentation, and cost-effectiveness studies.

ACDC will include personnel now in the combat development system and personnel in the Army school system who are responsible for doctrine, field manuals, and preparation of tables of organization and equipment.

It will include the Combat Development Experimentation Center at Fort Ord, Calif., and many small agencies normally found at each Army school. Its establishment will facilitate the development and introduction of forward-looking combat concepts throughout the Army.

CONTINENTAL ARMY COMMAND (CONARC)

The U.S. Continental Army Command (USCONARC) will accomplish virtually all individual and unit training for military personnel of the Technical and Administrative Services, as well as the combat arms training of the Army in the field. This will include the Army National Guard and the Army Reserve, as well as the Active Army.

USCONARC will assume responsibility for Army units which now belong to the Technical Services, and for 3 major installations, 3 training centers, and 17 schools assigned to Technical and Administrative Services. USCONARC no longer will be responsible for combat developments, current doctrine, tables of organization and equipment, and field manuals. These activities will be transferred to the Army Combat Developments Command. Test boards, now a part of CONARC, will be reassigned to the MDLC.

USCONARC's strength at field installations will be somewhat increased through expansion of its training mission, assignment of units formerly under the Technical Services, and acquisition of responsibility for certain installations.

USCONARC's new mission permits centralized direction of the training of both combat arms and Technical Service personnel, whereas in the past that headquarters has been responsible for the individual training of combat arms personnel only.

The consolidation of training functions will facilitate the Army's providing of combat-ready forces, on short notice, to meet operational requirements, including those of Army components of unified and specified commands.

DEPARTMENT OF THE ARMY GENERAL STAFF

The Department of the Army General Staff will be relieved of many commandlike and detailed operating functions. It will be organized to strengthen planning, programing, systems management and compatibility with the operating procedures of the Office of the Secretary of Defense and of the Joint Chiefs of Staff.

As a result of the simplified subordinate command structure to be established, many detailed operations and authority to perform them will be delegated below the Headquarters, Department of the Army level. Accordingly, the General Staff will be able to devote more attention to planning, programing, policymaking, and supervision of the overall effort.

A Director of Programs will be established as the principal assistant to the Chief of Staff and Vice Chief of Staff for direction of the Army program system.

By programing, I mean the detailing of plans into well-defined and measurable projects, to include the costs of such projects over an extended period of time.

OFFICE OF PERSONNEL OPERATIONS

An Office of Personnel Operations (OPO) will be established as a special staff agency of Headquarters, Department of the Army. OPO will integrate in a single office the personnel management operations now performed by many other agencies and will control centrally the career development and assignment of both officer and enlisted personnel.

While officers of the combat arms, technical services and administrative services will be managed by OPO, the branch system has been retained. These branches will continue to provide the framework for officer personnel management, and the existing personnel offices of each branch (e.g., Infantry, Engineers, Ordnance) will retain their identities as branch assignment sections.

Other organizational elements of OPO will be staffed with officers from all branches. With these staffing arrangements, OPO will possess knowledge of personnel needs and resources in all fields. The only personnel not subject to control by OPO will be commissioned officers of the Army Medical Service, the Judge Advocate General Corps, and the Chaplains.

As a result of this consolidated management of military personnel, improvements will be made in providing support for Army elements of unified commands and in matching of personnel requirements with training capabilities. More effective utilization of personnel on an Army-wide basis will be possible; career patterns can be broadened where appropriate, and promotion opportunities will be increased for many personnel.

DEPARTMENT OF THE ARMY SPECIAL STAFF AND OPERATING AGENCIES

Department of the Army Special Staff and Operating Agencies will be realigned to provide continuing support services at the Headquarters level in the areas of engineering, medical, communications, administrative, and certain other support services. This realignment reflects changes in responsibilities of the Chiefs of the Technical and Administrative Services which will be brought about by the establishment of the two new commands, the reorganization of USCONARC and the centralized control of military personnel management.

I emphasize again that the changes in responsibilites of the Chiefs of Technical and Administrative Services do not mean that any branches are eliminated. Rather, these branches will have much the same status as the Infantry, Armor, and Artillery whose personnel have been effectively managed by the Deputy Chief of Staff for Personnel rather than by branch chiefs.

The reorganization will be accompanied by removal of the statutory provisions for the Chief Signal Officer, the Adjutant General, the Quartermaster General, the Chief of Finance, the Chief of Ordnance, the Chief Chemical Officer, and the Chief of Transportation. This will be accomplished by action of the Secretary of Defense pursuant to the National Security Act of 1947, as amended. In accordance with the statute, his action cannot be effective until 30 days after it is reported to the Armed Services Committees of the Senate and of the House of Representatives. The Secretary of Defense's report was laid before these committees this morning.

Certain armywide services now performed by the offices I have mentioned will continue to be performed by officers on the Army Special Staff. The Offices of the Chief of Ordnance and the Chief Chemical Officer will no longer be required since ordnance and chemical functions will be reassigned. The remaining staff and service functions of the Quartermaster General will be performed by an officer designated Chief of Support Services. The staff and armywide service functions of the Chief Signal Officer Chief of Transportation, Chief of Finance, and Adjutant General will be performed by special staff officers with the same titles. The Chief of Engineers will remain a statutory position because of his civil works functions which will remain unchanged. Similarly, the statutory position of the Surgeon General is retained.

The reorganization will be accomplished gradually in accordance with implementing plans to be developed in greater detail. In each major area affected by the reorganization, planning groups are being established to work out the implementing measures. The implementation will be carefully controlled to insure that our combat capability is fully maintained and that the transition is made in an orderly manner with minimum personnel disruption.

Although this plan involves major changes in the command and management structure, it calls for little change in military and civilian personnel situations at the operating level in the field. The main impact of this plan is on the Headquarters of the Department of the Army, USCONARC, and the two new commands. For example, some personnel will be transferred from Headquarters, Department of the Army, to headquarters of field commands. However, most of those transferred will remain in the Washington area. Below these headquarters, installations and personnel, by and large, are undisturbed. The emphasis is on simplifying and clarifying command responsibilities and on improving managerial efficiency, while preserving the operating structure in the field.

While this reorganization is being accomplished, maximum consideration will be given to human factors. Careers will not be interrupted or altered needlessly. When the reorganization is completed, I confidently expect that our dedicated military and civilian personnel will find that their career opportunities have been considerably broadened. The new structure permits talents to be utilized on a service-wide basis to a greater extent than ever before.

The primary purpose of this reorganization is to develop an Army with the best possible command structure, management, training, doctrine, weapons, equipment, and morale. I am certain that national security will be strengthened by this undertaking.

(Charts omitted in RECORD.)

Last Easter interim, a group of Congressmen were invited by the Secretary of the Army to visit Germany, for a study in various phases of U.S. military activity, including the guerrilla and mountain troops and the effects of trade relationship, credits, and military expenditures on the U.S. economy and gold reserves outflow.

At the military level, several expert critics of the military family had questioned the emphasis placed on guerrilla group training of the troops, in lieu of mass military movement.

The hope of the Army for the city's freedom from the curse of street disorders, lies so much in the riot training street formations of specially trained troops to cope with the problem.

The hidden, lunatic fringe of an enraged mob, incited by pushers, posing as patriots, can only be suppressed by determined and decisive action by troops that advance in special, oblique formations, menacingly, in slow and determined cadence, with weapons that are so handled as to demand the respect and obedience of those demonstrators who created and support the disorderly conduct—a retreat and dispersement is the result. The advance movements of the troops are not given to commit violence but are rather calculated to show terrific strength and a fixed purpose to an end which, if tested, would be overwhelming in effectiveness. The would-be rioters are brought to a quick realization that the troops mean business, panic is averted, and all disperse.

Thus the right kind of planning, weeks of riot formation training, the spirited and individually conditioned and physical perfection of each soldier for this special assignment, prevents and disperses disorders in the city streets.

Thus the good citizens of the city who have built the right kind of a city, in which to live by a moral and religious code, are safe in their homes and are better able to combat the enemy of their freedoms and safeguard the influences toward decency, to guide the integrity of their future citizens.

The courage, hope, love, and fidelity of the Berlin citizens is shown everywhere, for the U.S. troops. Let us pray that this feeling will always prevail.

THE BERLIN WALL

At 2 a.m. on Sunday, August 13, 1961, the Communists sealed off the borders between East and West Berlin, the escape route used by more than 2 million persons seeking refuge from tyranny. East German tanks rumbled up to the Brandenburg Gate. Communist guards pulled men and women off subway and elevated trains. At dawn, workmen began tearing up the streets of Potsdamer Platz, the threshold of freedom for many refugees. Later, a 5-foot-high concrete barrier was erected. Barbed wire was strung along other border points.

Such was the beginning of the Berlin wall—a wall that stretches for 27 miles along the dividing line between East and West Berlin.

The circumstances that surrounded the erection of the Berlin wall are probably still fresh in your minds today. You will recall that in June 1961, Khrushchev presented President Kennedy at Vienna Soviet demands for settling the Berlin and German problem. The main Soviet objective was to force the Western Powers to liquidate their political position in West Berlin notwithstanding durable international agreements insuring their continued presence. The mood which surrounded the Khrushchev-Kennedy talks at Vienna was, in the words of Mr. Kennedy, "somber." And indeed they were; for within a matter of weeks the Soviets began to build up pressures to compel the West to submit to the Soviet dictate. In an almost unending chorus the Soviets reiterated their familiar threat to conclude a peace treaty with East Germany if the West did not accede to their demands. This was accompanied by provocative actions and verbal threats.

In the midst of pressures and counterpressures in the ensuing weeks, thousands of refugees fled to freedom through West Berlin. By August 13 the flow had reached an estimated average of 2,000 a day. It is significant to note that according to official West German sources an estimated 3,600,000 to 3,700,000 refugees fled Communist Germany during the period 1945 to the end of last year.

These figures in themselves clearly reveal the main purpose underlying the Communist decision to construct the wall in Berlin. East Germany was fast losing its economic and intellectual elite. Among the refugees were engineers, doctors, teachers, and others from the professional level of society. The youth of East Germany, too, was fast evaporating in the hasty flight to freedom through Berlin. Vital manpower was thus being drained off, threatening a crisis far greater than the one then gripping East Germany.

The Communist response to this threat was swift and ruthless: they built the wall. This was a desperate act to save communism in East Germany. Since August 13, the flow of refugees has been reduced to a virtual trickle. Only a relatively few lucky souls have succeeded in tunneling under the wall or vaulting over it. Some found other means for escape, equally dangerous. According to the State Department, 11,300 have succeeded in fleeing during the period August 13, 1961, to June 1, 1962. The total figure for 1961 was 205,000. Old and young alike have literally jumped to freedom—some even to death. By early June of 1962 an estimated 40

refugees have been killed trying to escape. Even young boys are numbered among the fatal casualties.

One does not have to search very deep to discover the significance of the Berlin wall. In all its grotesque ugliness, the wall has become a symbol of many things:

It is a symbol of Communist failure in a country that had all the practical elements for success, except one, the vital necessity of human freedom.

It is a symbol of a divided Germany and the dangerous political problem this perpetuates in East-West relations.

It is a symbol of communism's desperate defensiveness when faced with resolute power and strength.

Finally, it is a symbol of tyranny, and as such, it stands as a constant reminder to us all that Soviet power is a continuing threat to our peace, our security, and our freedom.

We visited the 7th U.S. Army Noncommissioned Officer Academy, Flint Kaserne, at Bad Tvelz, Germany. The academy was established originally as the U.S. Constabulary NCO Academy due to a shortage of noncommissioned officers in the constabulary—first enrollment October 17, 1949. In November 1951 the academy was redesignated as presently named and removed from Johnson Barracks, Munich, Germany, to its present location. We were briefed by Col. S. H. Matheson, commandant.

The school was opened for the purpose of training noncommissioned officers in subjects such as leadership and command tactics and personnel and administration for a period of 6 weeks, presently reduced to 4 weeks.

The subjects common to all noncommissioned officers, be they personnel sergeant or rifle platoon sergeant, are taught to so develop those professional attributes which will assure the necessary self-confidence and sense of responsibility required of military leaders.

Its scope seeks to develop in leadership:

First. An ability to recognize and assume his responsibilities.

Second. The confidence to apply his knowledge.

Third. The leadership techniques that apply to his life.

Fourth. The high personal and professional standards that must be maintained in the noncommissioned officer corps.

The need of formalized schooling for noncommissioned officers of the Army in order to develop or improve leadership by increasing confidence; inspiring assumption of the responsibility of office; and learn standards of conduct, appearance, and action as expected of a noncommissioned officer.

While at the academy, the student is given every possible opportunity to display his leadership capability. He is rotated through command positions in the company and so satisfies himself that he is capable of commanding.

The student in his academic and leadership is evaluated by his fellow students, by student supervisors—cadre noncommissioned officers—who are with each student platoon, and by those personnel of the staff and faculty who are observers of his actions. Thus, everyone is interested in solving his difficulties—counseling, advising, and assisting to overcome his deficiencies. If results are disappointing, he is dropped from the course.

Standards of discipline, housekeeping, personal appearance, and other activities are strictly enforced and rated through a demerit system. Also meritorious service and extra effort are credited to the student—one merit eliminates two demerits. Excessive demerits may prevent graduation unless offset by excellence in leadership and academics.

Students received 190 periods of instruction in 4 weeks. The subjects presented under the general heading of leadership include "Basic Concepts of Military Leadership," "Human Behavior," "Leadership Traits," "Leadership Principles," "Indications of Leadership," and other subjects teaching Army doctrine in the field. These subjects are designed to nuture a basic understanding of the fundamentals of leadership. Other subjects such as "Leader-Subordinate Relationship," "On the Spot Corrections," "Problems of Training and Command," and "Combat Leadership" prepare the student to understand and apply the fundamentals of leadership to his responsibilities as a noncommissioned officer.

The study of leadership also applies to a military situation, and thus becomes the technique used by the successful leader.

The majority of the formal instruction given at the Academy is conducted by cadre noncommissioned officers. The program of instruction has been developed to support the mission of the Academy.

Col. S. H. Matheson, commandant of the Academy, personifies the true spirit of dedication of a brilliant officer to the purposes of the institution. His superior talents bent to the accomplishments to be realized, his literate and practical approach to the training methods necessary to realize the ultimate goal of each student, insures its success, and gives to the Army its most cherished noncommissioned leadership.

We were proud to be in attendance at his briefing period and as guests.

There have been 57,728 enrolled in the Academy—46,641 graduates; 11,081 nongraduates, 120 civilians. Four hundred students enter every 8 weeks, thus totaling approximately 1,100 to 1,200 students attending the institution at a given time. The basic maxim is "learning by doing"—consequently, the majority of the student's time is spent in practical work, and conducted in such a manner as to reflect credit on the highest standards of a noncommissioned officer.

Young noncommissioned officers are recommended by their commanding officers by selection, determined by benefit to the individual and the Army. Specialists in certain grades may be admitted because of potential leadership. Individuals qualified as officer candidates also are eligible. Other services are admissable.

Failures are due to lack of leadership ability, or meet the academic work, or required standards in personal appearance and attention to detail.

The graduate of the 7th U.S. Army Noncommissioned Officers's Academy returns to his unit with a better understanding and appreciation of the standards expected of a noncommissioned officer, thus increasing his prestige and contribution to the efficiency and leadership of the Army.

We saw the American soldier in Europe skilled in the art of war for defense or offense and personally schooled in the maintainance of peace on the field or city streets. He is a glowing example of the determined patriotic dedication of man to God and country. The man at arms today is a symbol of true American spirit in action trained by superb specialists in the modern conception of military tactics to insure the peace and freedom of the free nations of the World.

Every American, especially those in business, executive, journalistic, and political leadership in our Nation should have the opportunity to personally observe and study the American soldier as an individual in his social and spiritual life and as a member of the greatest fighting unit in the history of military arms. They give and receive a demanding respect of all nationals in the areas they protect.

The major contribution to the land forces of the North Atlantic Treaty Organization and without question considered the greatest fighting unit force in the world and progressively more formidable is the U.S. 7th Army.

The legislative group were thoroughly briefed for hours at each installation. Every phase and facet of military offense and defense operations were ably presented and discussed. Slides of mapped areas of defense and statistical data clarifying every military situation and organization problem was explained. New weapons and modern military tactics were demonstrated both in the field and hearing room. The material was a complete study of our Armed Forces—its strength numerically and even broken down into the various man unit specialized weapon operations of the battalion and company. The supply line proximity to Army units and the protective cover of the material were expertly treated, including alternate lines of supply for replacement in case of destruction.

We visited the Czech border under armed protection and viewed through an observation post the activity of the Czech patrol and their manned observation towers on the other side of the Iron Curtain. These armed forces extend along the border from the Austrian Alps north—500 miles—to Fulda Gap. The protection of these borders are assured by the requisite supply of nuclear weapons.

The 7th Army is equipped with the most modern weapons—rifles, machineguns, helicopters, tanks, and rockets—including the deadly Davy Crockett. It can be used in the field and will destroy any armored vehicle or tank, and has

devastating power. It is manned by two men.

The President of the United States is the sole authority to order the use of nuclear heads and their distribution.

The 7th Army is ever on the alert and each man takes pride in his dedicated contribution to the welfare and protection of his country. Whether his lot is to participate in alerts, tap a wire, follow a barbed wire fence, man the watch tower, patrol the area, carry a message—he is proud of the responsibility of his task.

The 7th Army is always prepared to go into operation. The alerts are practiced every month, half of the corps can be on the line in half an hour; in several hours the remainder can be combat ready and mobile. The 7th Army patrols operate constantly.

The 7th Army soldier receives every type of Army training—under all sorts of conditions in the field, in the study or lecture room, day and night exercises, garrison instruction, formal school, tank firing, and rifle instruction on target.

The large-scale Army maneuvers including a full division are conducted at near combat conditions. The specialized groups in Ordnance, Quartermaster, Signal Corps, Medical Corps, also work in the field as realistically as if in combat.

The 7th Army protects millions of people—22 million in the American zone including Germans, American residents and tourists, Army and Air Force personnel and their dependents.

The shift of individuals during the year are over 100,000 Army personnel and close to the same number of dependents.

The 7th Army lists as its basic function—to help maintain the peace by being constantly combat ready to fight if necessary for the rights of freemen and a free world, and further to be a good neighbor to our German neighbors.

We also witnessed target practice by tanks. Its crews demonstrated the deadly accuracy and simultaneous consecutive firing of heavy armaments. The pride of accomplishment was reflected in the eyes and carriage of the officers and men. We were intrigued by the rapidity of measured action of the firing teams in setting up a curtain of devastating piercing power. It was with a heavy grip of acknowledged appreciation when, as proud Americans, we shook hands with the officers and men in our departure.

It is to the credit of the Armed Forces in foreign lands that the classified material whose nature and concept is known to thousands that the cloak of silence covers all men. About 95 percent of our briefing on critical matters concerning Army personnel and operations were in this area, and yet we have in a fleeting moment after each secret statement divorced the same from our minds. The will to have it so makes it so.

The mountain troops of the German Alps are expert in their field. We have the honor and pleasure of being witnesses to certain operations and maneuvers.

These troops were specially trained by crack specialists of the British, French, Italian, Austrian, Belgian, and Swiss mountaineer armed forces.

In a traced way, we were part of the operations, climbing to a 2,000-foot-Alps rise, to better view the operations of the teams in mountain practice safety evacuation of the wounded.

We were privileged to watch a vanishing breed of courageous men. The present-day training of the soldier, trapped in a nuclear haze of operations, is an index of the passing of the great land armies, tanking, trucking, and bayoneting their way across nations, digging into trench and foxhole for defense terrain fighting and setting up machinegun nests and house-to-house combat teams.

Nuclear war, from the sky, will silence every gun, seep into every hole, tank, structure—deadening every living thing in a split second flash. The old way of making war is gone, we are in a push-button era of warfare. No one can win a war for long.

The brutality of war sometimes brought out the heroics of men of an individual breed, but today the heart of a man never can be tested. It is as if the hand of God unleashes the forces of infamy against all men, as if in measured judgment, by man himself, he deserves complete extermination. Yes; by his own genius of inventive mind, he has condemned the Lord to enter his last judgment that the earth will be destroyed by fire.

With the advent of the cold war many aspects resulted in special warfare terminology such as special warfare, unconventional warfare, special forces, civil action, paramilitary force, and other related items with precise meanings.

Following are a few definitions commonly associated with cold war activities:

Cold war is the use of political, economic, technological, sociological, and military measures, short of overt armed conflict involving regular military forces, to achieve national objectives.

Special warfare is a term used by the U.S. Army to embrace all the military and paramilitary measures and activities related to unconventional warfare, counterinsurgency, and psychological warfare.

Unconventional warfare includes the interrelated fields of guerrilla warfare, evasion and escape, and resistance. Such operations are conducted in enemy held or controlled territory, and are planned and executed to take advantage of or stimulate resistance movements or insurgency against hostile governments or forces. In peacetime, the United States conducts training to develop its capability for such wartime operations.

Guerrilla warfare is the conduct of combat operations inside a country in enemy or enemy-held territory on a military or paramilitary basis by units organized from predominantly indigenous personnel. The aim is to weaken the established government of the target country by reducing the combat effectiveness of the military forces, the economic means, and the overall morale and will to resist.

Paramilitary forces are those existing alongside the Armed Forces and are professedly nonmilitary, but formed on an underlying military pattern as a potential auxiliary, or diversionary military organization.

Counterinsurgency includes all military, political, economic, psychological, and sociological activities directed toward preventing and suppressing resistance groups whose actions range in degree of violence and scope from subversive political activity to violent actions by large guerrilla elements to overthrow a duly established government.

U.S. Army counterinsurgency forces comprise special forces, civil affairs, psychological warfare, engineer, medical, light aviation, signal, and other elements as required. They are capable of operating in disturbed areas, if invited by the host government, to provide training and operational advice and assistance to indigenous military forces engaged in maintaining or restoring internal security.

U.S. Army special forces groups are specially trained and organized to train and assist indigenous leaders and forces in measures, tactics, and techniques required to prevent or eliminate hostile resistance and guerrilla groups. Other Army elements extend and complement the activities of special forces groups. Assistance and training provided to indigenous forces may include operational advice. The wartime mission of special forces groups is to organize, supply, train, and direct predominantly indigenous forces in the conduct of guerrilla warfare in enemy-held or controlled territory to support the overall military effort.

Civic action is any action performed by military forces of a country utilizing manpower and skills, in cooperation with civil agencies, authorities, or groups, designed to improve the economic or social betterment of that country.

Advances in weapons system over the past few years have forced many changes in tactical organization and operational concepts. The basic emphasis placed on these operational concepts in the modern army are mobility, dispension, and small unit operation. These goals complied with many new instruments of war, required greater reliance upon the officers and noncommissioned officers of the Army.

The result was a complete reorganization of the Army at all levels to meet the highest standard of its capabilities. Behind these plans developed at the Pentagon was the ultimate desire to cover virtually every kind of military facet to attain these ends.

First. The Davy Crockett rocket is capable of launching either nuclear or conventional warheads across battlelines at ranges about the same as those employed by conventional artillery, perhaps up to 9 miles. The Davy Crockett, which looks like a large recoilless artillery rifle, was designed for low yield tactical atomic warheads, but can also fire warheads of conventional explosives. Both a heavy and light version have been developed. The projectile looks much like a conventional bomb, bulbous in shape, with four stabilizing fins. The large version is about the size of an office wastebasket.

The launcher for either version can be mounted on a jeep or similar vehicle and operated by as few as two men. The exact weight is a secret, but it is said to be light enough to carry. The weapon has been designed to give small infantry units a volume of firepower hitherto associated only with massed artillery. When used with a nuclear warhead, the rocket has a tremendous force, yet its effective radius is about 2 miles, small enough so that the troops who use the weapon, nearby friendly troops and civilian populations, are not endangered by the blast.

Davy Crockett is the smallest weapon the United States has in use capable of firing atomic missiles.

Davy Crockett is an atomic weapon system designed for tactical use by the infantry battle group. There are two versions of the Davy Crockett weapon system, a light version weighing about 200 pounds and a heavy system weighing about 400 pounds. Both are recoilless rifles which fire spigot projectiles—that is, projectiles that are larger in diameter than the gun tubes, and are therefore fastened to the ends of spigots or pistons which are inserted in the gun tubes. Both the light and heavy versions, with their ground mounts, can be disassembled and carried by the guncrews. Both will also be mounted on various tactical vehicles. Davy Crockett, with its low yield atomic warhead, will increase the firepower of the infantry battle group tremendously, and will enable it to combat the numerically superior enemy forces it may encounter on a future battlefield.

This weapon fired demonstration round at Grafhthofen for Members of Congress.

Second. The M–113 armored personnel carrier is a new lightweight battlefield vehicle that can transport 12 fully armed infantrymen or a cargo and can mount a .50 caliber or a .30 caliber machinegun. The M–113 is both amphibious and air transportable. It is capable of a maximum speed of 38 miles per hour on land and 3 or 4 knots per hour in the water. It replaces the M–59 armored personnel carrier. The infantry battle groups of three infantry divisions have been mechanized with the M–113. A full-tracked vehicle, the M–113 gives the soldiers a degree of protection and mobility hitherto unknown outside of armored divisions. An armored personnel carrier carrying a squad of men is immune to all artillery fire except direct hits or misses so close that a track is blown off. Small arms such as machineguns, rifles, and grenades are useless against the armed personnel carriers.

CARRIER, PERSONNEL, FULL-TRACKED, ARMORED M–113

1. Purpose: To provide general information on the M–113 armored personnel carrier.

2. Facts:

(a) The M–113 personnel carrier was developed to replace the M–59 APC with a lighter vehicle for armor and infantry units. It is an armored, airborne, amphibious vehicle carrying a squad of 12 men plus a driver, and having superior cross-country mobility. It is adaptable to multiple functions through kit application or modification of its basic structure.

(b) To obtain maximum production economy, preliminary studies and evaluations were made of prototype vehicles to adapt commercial engines and transmissions for utilization of existing industrial power plant-power train capacity.

(c) To reduce its weight, the maximum use has been made of both aluminum armor and a multitude of aluminum components.

(d) In May 1959 a quantity production contract was awarded to Food Machinery & Chemical Corp., San Jose, Calif. Deliveries from the contract commenced in February of 1960.

(e) Characteristics of M–113 APC: Weight (air drop), 18,600 pounds; engine, Chrysler A710–B, liquid cooled; transmission, Allison TX200–2; primary weapon, .50 caliber M–2 machinegun; maximum speed, 38 miles per hour; cruising range, 200 miles.

Third. The M–60 tank replaces the M–48 Patton-type tank, which has been outclassed by Soviet tanks. The M–60 tank is powered by a diesel engine; its 105-millimeter gun provides a devastating artillery punch on the battlefield. The M–60 tank employs a high velocity 105-millimeter gun with a simplified fire-control system and removable tube that can be swiftly replaced in the field when it becomes worn out. The M–60 is also armed with a 7.62-millimeter machinegun mounted to the main gun cradle and fired through its shield. There is also a new 50-caliber machinegun, located in the cupola of the turret, which can be loaded, aimed, and fired from within the tank. There are two manually operated 45-caliber submachineguns carried inside the vehicle.

The M–60 can climb a 60-percent grade, go over a 36-inch wall and move through a 4-foot deep stream without trouble. The maximum speed on the average road is 32 miles per hour. The cross-country speed is about 15 miles per hour. The M–60 carries a crew of four. A larger cupola provides more interior room for the commander than in previous models.

FACT SHEET ON M–60 TANK

I. Nomenclature: Tank, medium, M–60.

II. Characteristics:

1. One hundred and five millimeter gun as main armament.

2. Diesel engine; 750 horsepower.

3. Similar in appearance to the M–48 with an improved hull, gun, and engine and over 50 other component improvements.

4. Weight; 51 tons.

III. Advantages:

1. One hundred and five millimeter gun gives significantly greater penetration than the 90-millimeter gun on current medium tank.

2. Diesel engine provides 30 to 40 percent more range and has less fire hazard because fuel is less volatile. This simplifies supply problems and lower volatility retards waste by vaporization. The new 750-horsepower diesel engine was designed by the Continental Motors Corp. under the direction of the U.S. Army Ordnance Corps.

The company started with the basic components of the current medium tank engine and developed a diesel engine. This engine has been under development and test during the past 3 or 4 years. It was installed and tested in an M–48 tank, beginning in 1957. Continental Army Command tested intensively in 1958.

3. The weight of 51 tons is expected to be reduced with future improvements. Reduction of weight will increase speed and maneuverability.

IV. The new 105-millimeter guns and diesel engines can be installed in the M–48 when they are turned in for overhaul.

V. The first M–60 tanks procured with money in the fiscal year 1959 budget.

Many units in Europe still have M–48 tanks. M–60 replacing these as fast as possible.

Fourth. The Hawk surface-to-air missile is a solid-fueled, radar-guided missile designed especially for antiaircraft defense. With the development of the Ajax and Hercules missiles, the Army was fairly well supplied with weapons which could cope with modern combat aircraft at high altitudes, but was weak in defenses against intruders at low altitudes. The Hawk was designed to meet this need, and is capable of dealing with supersonic aircraft flying at low altitudes, below the effective zones of the Ajax and Hercules.

Fifth. The Honest John surface-to-surface rocket is a tactical missile capable of carrying a nuclear warhead. It is not a guided missile, however, but rather a free rocket, aimed in the same manner as conventional artillery, with the data for elevation and direction corrected for weather conditions. Its size and weight permit it to be launched from a truck which can be manneuvered in and out of position within a few minutes. The particular importance of its mobility lies in the fact, that like any weapon with a nuclear capability, the Honest John would be a priority target for the enemy; hence the need to be able to move quickly from one firing position to another. As mobile as a light cannon, the Honest John can supply artillery power far greater than any combination of batteries used in World War II. The missile and its launching system is air transportable in conventional military transports.

Sixth. The M–14 rifle replaces the M-1 Garand. It is a lighter rifle than the Garand and fires the standard North Atlantic Treaty Organization round, the short 7.62-millimeter cartridge that is now standard small-arms ammunition for the NATO allies. This cartridge is shorter and somewhat lighter than the M–1 ammunition. Normally, the M–14 is a semiautomatic rifle, like the Garand. Thus the trigger must be squeezed for each shot, although the empty cartridge case is automatically ejected. But, unlike the Garand, a simple adapter fits the M–14 to fully automatic fire. That is, so long as the trigger is squeezed the rifle will fire bursts of 700 rounds a minute. The M–14 is less inclined to jam or malfunction than the Garand. The reduction in size of the cartridge makes possible the use of the magazine principle, a more efficient principle than the old clip, and also permits the soldier to carry more rounds in his belt.

Adoption of this new rifle, which replaces four current U.S. Army shoulder weapons, rounds out a program for a new weapons system, long planned and partly consummated recently with the adoption of the M–60 general purpose machinegun. Both the new rifle and the new machine gun fire the 7.62-millimeter NATO cartridge, which will be common to our NATO allies.

RIFLE 7.62–MILLIMETER, M–14

Weight of rifle, 7.62-millimeter, M–14 (with empty magazine, less sling), 8.7 pounds.

Length of rifle (with flash suppressor), 44.14 inches.

Length of barrel, 22 inches.

Rifling, four grooves, right-hand twist, 12 inches.

Sight radius (at 100 yards), 26.75 inches.

Type of mechanism, rotating bolt.

Method of actuation, gas-operated.

Loading device, 5-round charger.

Cyclic rate, 750 revolution per minute.

Cooling, air.

Trigger pull, maximum, 7.5 pounds; minimum, 5.5 pounds.

Muzzle velocity, 2,800 feet per second.

Magazine capacity, 20 rounds.

Chamber pressure, maximum, 50,000 pounds per square inch.

Ammunition types, Ball, A.P., tracer.

Cartridge, ball type, caliber 7.62 millimeters, M–59.

Maximum range, 3,500 yards.

Troops in the United States and Far East still are using the World War II MI rifle in lieu of the new M–14 rifle.

Seventh. Launcher, rocket, 4.5 inches, M12A2. Purpose, launch from ground installation a projectile similar in explosive effect to 105 millimeter HE shell against all types of targets. Distinct characteristics, smoothbore magnesium tube with carrying sling; rocket issued inside launcher, ready for firing; mounted on hinged tripod, two legs fixed, one adjustable.

M12A2

Launcher: Weight, 22 pounds. Length, 48 inches. Diameter, 4.5 inches. Muzzle velocity, 830 feet per second. Range, 5,300 yards. Rate of fire, launcher discarded after rocket is fired. Firing mechanism, battery or 10-cap exploder. Igniter, percussion-electric. Sight, white line on launcher, front and rear open sights, or folding rear peepsight and a fixed front stud. Basic model, M12 (LS), plastic tube, fuzed rocket. Modifications, M12A1 (LS) unfuzed rocket, fuze in fiber container in front spacer; M12A2 (S), magnesium alloy tube.

Rocket: Types, HE spin type, M20. Weight, 42.5 pounds. Length, 31.5 inches. Diameter, fins in flight 12 inches.

Eighth. The new M–60 machinegun fires about 600 rounds per minute. It can be repaired quickly under fire, can be fired from either shoulder or hip or from a tripod, and uses a feed-link belt of ammunition, which disintegrates as it is pushed through the chamber.

M–60

I. Nomenclature: Gun, machine, caliber 7.62 millimeter, M–60.

II. Significant features of the weapon which represent advances in ordnance materiel:

1. The M–60 machinegun is a lightweight general purpose machinegun developed to replace all of the present U.S. Army caliber .30 machineguns (M1919A4 and M1919A6 air-cooled, and M1917A1 water-cooled machineguns).

2. The new gun weighs 23 pounds including bipod as opposed to 32–42 pounds for the guns it is to replace. The light weight of the new gun makes it readily portable by one man.

3. The M–60 gun can be fired from the shoulder (as a rifle), from the hip, from the bipod, or from a newly developed tripod mount. This flexibility makes it a general purpose weapon capable of performing satisfactorily under all tactical conditions.

4. The ability of the M–60 gun to replace the present heavy water-cooled machinegun results from the fact that the barrel and gas system can be replaced in a matter of seconds. Also, the gun uses barrels made from new materials which give greatly improved firing life.

III. Characteristics of the M–60 machinegun:

1. Weight, 23 pounds, including shoulder stock and bipod.

2. Overall length, 43 inches.

3. Ammunition, NATO 7.62 millimeter cartridge (formerly designed as U.S. caliber .30, T65).

4. Rate of fire, 600 rounds per minute.

5. Action, rotary locking bolt (similar to Lewis machinegun).

6. Air-cooled barrel.

7. Gas operated.

8. Quick change barrel with integral gas system.

9. Feed, distintegrating metallic-link belt.

Ninth. Another light weapon is the XM–79 grenade launcher, a shotgun-like affair and the first Army weapon with an aluminum barrel. Weighing but 6 pounds, it fires a 6-ounce projectile at the relatively low velocity of 250 feet per second, yet can knock out machinegun nests, bunkers, and other enemy concentrations at up to 400 yards—a range that fills the gap between the old hand grenade and the mortar.

A new shoulder weapon, the M–79 grenade launcher, has been developed by the Army. It fires a 6-ounce high-explosive shell at a muzzle velocity of 250 feet per second and range up to about 400 meters. This range bridges the gap between the distance the hand grenade can be thrown and the minimum range of the 81-millimeter mortar.

The launcher has a steel receiver and an aluminum barrel. It resembles a short, fat, single-barrel shotgun. The launcher is 28.6 inches long and the barrel length is 14 inches. It fires a 40-millimeter projectile. Total weight of the loaded launcher is 6 pounds 11 ounces, and the cartridge weight is 9 ounces. The front sight is a conventional military type, while the rear sight is a large folding leaf.

The launcher is fired from the usual firing stances. Its recoil is only slightly greater than that of the service rifle. This new weapon supplements the M–14 rifle and the M–60 machinegune. Distribution to the troops will begin shortly.

Tenth. The XM–72 rocket grenade is a 4½-pound antitank weapon which can be carried and fired by one man from its own disposable packing container. It is capable of knocking out any known tank. The XM–72 rocket grenade looks like a bazooka, but operates on a somewhat different principle. It can be fired from a prone, kneeling, or standing position and has proved effective not only against tanks but against earth and log emplacements, sandbag fortifications, and concrete bunkers.

A trained soldier can aim and fire the XM–72 in 15 seconds. The launcher is 25 inches long and three inches in diameter. With four rounds of ammunition, it can be carried in a canvas pack slung over the soldier's shoulder like a quiver of arrows. According to an Army report:

A solid fuel motor furnishes propulsion and burns out before the rocket leaves the tube. When the projectile emerges, several narrow magnesium fins spring into position and stabilize the rocket in flight.

Aiming is accomplished by a rear peep sight and a graduated sight printed on a clear plastic rectangle mounted at the mouth of the launcher tube. The warhead uses a powerful new explosive, developed by the Ordinance Corps, known as Octol.

The new weapon is intended for use by the infantryman, and can be teamed with the Army's new recoilless rifle to satisfy his need for protection against enemy tanks.

Eleventh. The full-fledged replacement for Korea's bazooka, which proved not good enough against the then new Russian-built tanks, are two recoilless rifles—the 90-millimeter and 120-millimeter. In the hands of infantry troops they can stop any tanks dead in their tracks as they try to filter through advanced lines. Fired and loaded by one man—although a two-man team is needed to carry all the paraphernalia—the 90-millimeter version weighs 33 pounds. It was developed by several Army arsenals and industry research teams.

Twelfth. The U.S. 7th Army in Germany also has available the Entac guided missile, which has been called the ultimate weapon against a massed tank attack at the company level and is able to destroy "any tank known to exist in present-day armies." The Entac is the third in a series of French antitank missiles which NATO and the U.S. Army have chosen as best of their kind. Light, powerful, and with a range of 6,000 feet, it can be air dropped and set up quickly. Remote controlled, it trails a lead wire, through which it is guided by radio. It can also be launched from a jeep or helicopter, and its efficiency against maneuvering tanks is devastating.

The Members of the Congress of the United States enjoy the high privilege and responsibility of protecting the public interest and guiding through enactment of legislation to preserve the economic destiny, welfare, and defense of the Republic.

One of the informative approaches to orient the membership in acquiring knowledge in these areas, preparatory to the consideration of legislation, is to travel to the sites of areas where pertinent factual data on these subjects can be accumulated for study. Many of the mentally alert and proficient Members of Congress are reticent about accepting a special study assignment necessitating foreign travel because of the criticism one may be subjected to in traveling at public expense.

There is a growing suspicion in the public mind that all travel is unnecessary and a waste of public funds. That the expense serves no public purpose in government and only satisfies the suppressed desire of the individual official to travel at public expense for his or her personal aggrandizement as participating in a junket tour.

Certainly traveling 12,200 miles by plane, close to 1,000 by helicopter and auto, being briefed 5 to 8 hours a day, climbing the Alps, watching troop operations and firing of heavy armament, studying enemy frontier activity, eating on the run, sleeping 3 to 5 hours a day

with scarce 2 to 3 hours a day of open time for ourselves, giving speeches, asking questions and giving answers, and so forth, taking copious notes, writing reports, is not anyone's idea of enjoying a sojourn overseas, especially during the Easter vacation.

Yet all of this effort and more was worth the great honor paid to us by our dedicated U.S. officers and men in the field, schools, and camps that we visited. Just the warm clasp of the friendly hands of the troops from our respective States gave each of us a sense of how much all this meant to the troops and ourselves in being just another American.

It is to be understood that the purpose of this report is to treat analytically, in a limited sense, the data, facts, and material made available through the agencies, publications, and services presenting the same. The subjects at hand have enjoyed a wide and growing public interest—primarily through the exhaustive study and writings of expert columnists whose detailed articles appear in the press and journals for avid public consumption. Mr. Ator and Mr. La Rue of the Chicago Tribune, feature writers of the Star and Washington Post, officers of the armed services, and experts in the diplomatic services.

The material presented herein is a compilation of both the briefings received from experts in this field and authoritative reportings by distinguished newspapermen and columnists.

The papers drawn for this report are not to be considered as having the approval of the members in attendance, but must be considered as a factual report of the subjects studied. Any comments or conclusions reached by the chairman are subject to the specific reservation of each member. Someone had to write a report. Therefore, if in error—may it be an unintentional one.

There are references noted in this report that are complimentary to the present administration and several others that are critical. These statements are only made for the purpose of calling attention of the reader to the administration's position in the matter. Certainly my Republican colleagues have the reserved right to disagree with these conclusions—perhaps the criticisms at least should stand as accepted.

OPEN DOOR FOR MAILING OF OBSCENITY RULED BY HIGH COURT

The SPEAKER. Under previous order of the House, the gentlewoman from Pennsylvania [Mrs. GRANAHAN] is recognized for 15 minutes.

(Mrs. GRANAHAN asked and was given permission to revise and extend her remarks.)

Mrs. GRANAHAN. Mr. Speaker, the highest court in the land, in the latest of an incredible series of judicial rationalizations, has opened the floodgates to pour through our postal service and into American homes even greater torrents of vile and corruptive matter than ever before.

The Supreme Court decision of last Tuesday in Manual Enterprises versus Postmaster General Day, and its frightening implications, unfortunately have tended to be overlooked because of the controversy raging around another Court decision of the same day. This is known as the Womack case, since one Herman Womack is president and entrepreneur for Manual Enterprises. But the Womack decision is fraught with far greater danger than the other.

I asked to address the House today because I believe it is imperative to alert the public to this imminent danger—and particularly the fathers and mothers and children whose defenses against filth and smut have been further breached by the decision.

Perhaps the most notable features of the Womack ruling are the astounding divergence of reasoning among the members of the Court as to why our mail service must carry Womack's filthy products and the tenuous threads of thought that are followed ad absurdum and ad nauseum to reach this end. The sharp division of views is extraordinary—if not unique.

Only two Justices felt impelled to go to the substance of the mail matter in question and say it is not obscene within the criminal statutes which prescribe penalties for mailing obscenity. Let me hasten to add my conviction as to their error. These two characterized as merely "unpleasant, uncouth and tawdry" magazines, sent through the mails by Womack, intended for the edification of sexual perverts and for the propagation of perversion.

Theirs is, indeed, a masterful understatement. Perversion is defined by Webster as "diversion to a wrong end or use; a corrupted form of something, and (psychopathol) a maladjustment of the sexual life, such that satisfaction is sought in aberrant ways." It is revolting and completely abhorrent to society. It is contrary to the order of nature and to human dignity. Yet Womack's mailings were called unpleasant.

The other five Justices on the decision at least escaped going to that extreme. One, Mr. Justice Clark, dissented—and I salute him for his magnificently persuasive opinion, which I believe should have been conclusive.

Four of the five voiced no opinion as to whether or not the matter in question is obscene, with one making no comment at all. Three of them opined that the mails are open to its transmission on a legal technicality. They found that section 1461 of the U.S. Criminal Code—the penal statute for obscene mailings—does not authorize the administrative procedures long followed by Postmasters General in bringing offenders who mail obscenity before the bar of criminal justice. In other words, they found a loophole in a criminal law—the proverbial "hole in the dike." But there is no finger to close the hole and avert the catastrophe of a wide breach in the dike.

Regrettable as it is that this legal loophole was ferreted out, it is significant because it confirms the findings of my subcommittee that our criminal statutes to protect the public and the postal service from obscenity and pornography must be strengthened.

For the past two Congresses I have urged and implored the committee having jurisdiction to strengthen these very criminal statutes and have been joined, on a completely non-partisan basis, by other members of my subcommittee on both sides of the aisle. Right now two of my bills for the purpose, and companion bills by my colleagues, lie dormant in other Committee, and not one inch of progress has been made on them since the Members and I appeared last year in support of the bills.

I do not wish to labor the point or to appear critical or impatient with another committee or its distinguished members. However, it is my earnest hope that prompt and vigorous action will now be taken to strengthen the criminal laws and close the U.S. mails to muck merchants and vendors of pornography and propaganda of perverts. If this occurs, then the Womack decision may yet be recorded in history as the turning point against vileness and debauchery—the "straw that finally broke the camel's back" and led to some real teeth in our antiobscenity laws.

A word is in order, also, with respect to the nature of the beast that is to be turned loose on society in this particular case. Make no mistake, Womack is just one of many who stand ready, willing, and able to profit by the decision.

Womack is typical of the diseased minds that conceive, produce, distribute, and profit from, traffic in foul and antisocial writings and pictures and recordings. Womack already has been found guilty under another indictment for violation of the criminal statutes for sending obscene matter through the mails. He pleaded guilty and an associate pleaded not guilty, and both were found guilty. But just before sentencing of Womack, his attorneys advanced the plea of insanity, which was rejected by the lower court. Thereafter, he was found not guilty by an appellate court because of insanity and is now incarcerated in St. Elizabeths Hospital. The guilty verdict for his associate was upheld by the court of appeals, which noted that the photographs in issue "are conclusive, autoptical proof of obscenity and filth. Photographs can be so obscene that the fact is incontrovertible. These photographs are such."

I repeat, this is the nature of the beast that will be turned loose on society unless prompt and informed action is taken to close the loopholes in our criminal statutes and to strengthen those statutes where we have incontrovertible evidence—and my subcommittee has such evidence—that strengthening is essential in the public interest. We can hardly justify burdening the Postmaster General and other responsible authorities with the duty to enforce laws that crumble into dust before the shrewd and unremitting attacks of expensive legal counsel always at the beck and call of the "mongrels" and "muck merchants" who slink on the outskirts of civilized society to prey on the public.

Mr. CUNNINGHAM. Mr. Speaker, will the gentlewoman yield?

Mrs. GRANAHAN. I yield to the gentleman from Nebraska.

Mr. CUNNINGHAM. I want to congratulate the gentlewoman from Penn-

questions had an 85 percent negative or affirmative reply.

It has been my goal while serving here in Congress to endeavor to acquire a firsthand knowledge of the views of my constituency. This is not an easy job—especially when we are in session here in Washington for 9 months a year. Through this questionnaire, courthouse tours, and hundreds of conferences I have gained the very definite idea that the majority of the citizens in the 17th district want more responsibility here in Washington, not more centralization of power. On the international scene, there is an increasing awareness that we are not successfully leading the free world, that we need a clearer and stronger voice in pointing the way to victory over world communism.

Several thousand persons returning the questionnaire included letters on a variety of subjects—some contained on the poll and some not. It is impossible to categorize them except to reflect the basic concern which seems to be common throughout.

I am also including the results of the 1961 questionnaire. Many of the questions on that poll are of current interest. I endeavored to avoid duplication in the 1962 public opinion poll.

The results are as follows:

Results of 1962 public opinion poll of 17th Ohio District

[In percent]

	Yes	No	No opinion
Do you favor—			
1. Diplomatic recognition of Red China?	7.6	89.6	2.8
2. Continued economic aid to the uncommitted or neutral nations?	29.1	61.7	8.2
3. Foreign aid to Communist countries?	.2	96.6	3.2
4. Congressional approval of the purchase by the United States of up to $100,000,000 worth of United Nations bonds?	23	69	8
5. Continued disarmament and nuclear ban negotiations with the Communists?	52.2	42.6	5.2
6. A statement by the United States of its intention and will to achieve victory over world communism by means other than war?	76.1	14.9	9
Do you believe—			
7. The United States should resume testing of nuclear weapons in the atmosphere?	71.1	20	8.9
8. That assistance to unemployed workers (caused by imports) and subsidies to businesses (hurt by imports) would develop into massive and unworkable Federal programs?	73.8	17.6	8.6
9. We should endeavor to decrease the national debt of $300,000,000,000?	90.6	6	3.4
10. We should create a new Cabinet Department of Urban Affairs and Housing?	15.2	76.4	8.4
11. The United States should support the United Nations action in the Congo against Katanga?	33.8	40.3	25.9
12. That the United States should borrow money to use in the $5,000,000,000 foreign aid program?	3.5	92.1	4.4
Do you favor—			
13. Pay increase for 2,500,000 Federal employees of approximately 15 percent spread over 3 years	21.9	69.5	8.6
14. A higher education scholarship program financed by the Federal Government	29	66	5
15. President Kennedy's request for power to raise and lower taxes?	6.1	92.6	1.3

Results of 1962 public opinion poll of 17th Ohio District—Continued

[In percent]

	Yes	No	No opinion
Do you favor—Continued			
16. President Kennedy's request for standby authority to spend $2,000,000,000 on public works when and where he deems it advisable?	13	84.7	2.3
17. A Federal subsidy to the arts?	5.3	88.7	6
18. Legislation to ban postal delivery of foreign Communist propaganda?	87.7	9.9	2.4
What would you do—			
19. The 1962 budget will be approximately $10,000,000,000 out of balance. The prospects for 1963 look like further deficits. Should the budget be balanced?	90.8	2.2	7
If so, by—			
A. Less Federal spending in the defense and space programs	29.6		
B. Less Federal spending in foreign aid and related fields	87.7		
C. Less Federal spending in the nondefense and noninternational area	72.7		
D. Increased taxes	13.7		

Results of 1961 questionnaire

[In percent]

	Yes	No	No opinion
1. What are your thoughts on Federal aid to education (answer 1):			
(a) I do not favor a program of Federal aid to eduction	51		
(b) I favor Federal aid to education only if there is no control of our traditionally local school matters	35		
(c) I favor Federal aid to education	9		
No opinion	5		
2. Do you favor Federal aid or loans to private or parochial schools	10	87	3
3. Which more adequately reflects your position on medical care:			
(a) I support a compulsatory Federal program of medical care for the aged under social security with the cost of program paid for by increased taxes on employees and employers	16		
(b) I support a voluntary program of medical care for the aged with costs shared by Federal and State Governments out of general tax revenues	29		
(c) I do not believe in Government participation in this field	48		
No opinion	7		
4. Do you favor a farm program which will—			
(a) Move in the direction of less controls and subsidies	84		
(b) Endeavor to improve farm income by adopting strict farm controls and price supports	8		
No opinion	8		
5. Do you suport the President's request for extension of the 1-cent tax on gasoline (which expires this year) to finance improvements in our Interstate Highway System?	59	36	5
6. Should Red China be diplomatically recognized by this Government?	14	74	12
7. Should Congress raise the minihourly wage to $1.25 and extend it to local businesses heretofore considered in State or local commerce?	36	57	7
8. Do you favor the President's multibillion dollar foreign aid program?	13	77	10

Results of 1961 questionnaire—Continued

[In percent]

	Yes	No	No opinion
9. Do you believe that Congress should enact laws protecting domestic industries from competition of products imported for sale in the United States?	64	24	12
10. Do you believe in extending unemployment compensation benefits from 26 to 39 weeks?	35	58	7
11. Do you favor a "softer" U.S. attitude toward the Communist bloc?	2	94	4
12. Should we abolish the House Un-American Activities Committee?	10	76	14
13. Do you favor a general increase in the services of Government as proposed by the President?	16	73	11
14. Do you support the proposed Peace Corps?	37	43	20

SUPREME COURT DECISIONS

(Mr. CUNNINGHAM (at the request of Mr. CAHILL), was granted permission to extend his remarks at this point in the RECORD.)

Mr. CUNNINGHAM. Mr. Speaker, it is heartening to hear the many expressions of concern by our citizens about the Supreme Court decision affecting the recitation of a prayer by schoolchildren. Certainly this is a nation founded and conceived in the belief and acknowledgment of a Supreme Being.

We seek His guidance throughout our Government. We are by and large a God-fearing nation, a people who believe in God and yet a people who recognize the separation of church and state.

But it is almost beyond belief that voluntary prayer services or Bible readings cannot continue in schools and other public places. That certainly is not the will of the people, nor could it have been the intent of our forefathers.

Accordingly I am joining my colleagues who have proposed that this be submitted to the people for their final decision. I am today introducing a proposal calling for a decision by the people—a constitutional amendment which must be considered by the people through their representatives here in the Congress and in their State legislatures.

This resolution would allow nonsectarian prayers in public schools and other public places on a voluntary basis. It would not compel anyone who is an atheist or nonbeliever of some other type to listen or participate.

But it would acknowledge that for the overwhelming majority of Americans we are God-fearing people who acknowledge the existence of a supreme power in our lives, in our Nation's affairs and in our common destiny.

I now include a resolution sent to me by the Exchange Club of Omaha, a group of leading businessmen and professional men, concerning this Supreme Court ruling:

Whereas, the Supreme Court of the United States has by a decision handed down June 25, 1962, forbidden the reading of the regents prayer in the State of New York;

Whereas the wording of this opinion is such as to forbid the voluntary reading of any prayers in our public schools;

Whereas the United States of America is regarded as a Christian nation and it is hoped it will continue to be so regarded;

Whereas this opinion seems calculated to give great comfort to atheists and Communists and other nonbelievers in the existence of a god;

Whereas the membership of the Exchange Club of Omaha is made up of 96 men from all the professions and executives from all lines of business;

Whereas such men are Christian God-fearing gentlemen and believe in the acknowledgment of the supremacy of God;

Whereas it now appears that in its present form and as presently interpreted our National Constitution prevents the voluntary participation in such prayers in our public schools: Therefore be it

Resolved, That the Exchange Club of Omaha in regular meeting assembled this 26th day of June 1962, at the Omaha Athletic Club at Omaha, Nebr., herewith petitions you, GLENN S. CUNNINGHAM, our U.S. Congressman, to use all of your power and influence to initiate and adopt a constitutional amendment permitting the voluntary participation in such prayers and encouraging the further recognition that the United States of America is a Christian nation.

TRADE EXPANSION ACT OF 1962

(Mr. OSMERS (at the request of Mr. CAHILL) was granted permission to extend his remarks in the body of the RECORD at this point.)

Mr. OSMERS. Mr. Speaker, I rise in support of H.R. 11970, the Trade Expansion Act of 1962.

Without doubt, Mr. Speaker, the future economic health of our Nation requires that we move in the direction of more trade with other nations of the world if we are to maintain peace and increase prosperity in the great American tradition. Let me say that I feel very strongly that it would have been far better for the House to have had a less rigid rule under which to consider a bill of this type, particularly with reference to the sections which provide for adjustment assistance to workers and firms who are adversely affected by its effects. It is quite obvious, Mr. Speaker, that most Americans fall into one of three general groups with respect to foreign trade legislation. The first group are those involved in local business activities and services who are simply not directly affected at all. The second group are those engaged in the production of products and raw materials which have a low labor quotient. This group will be greatly benefited by the passage of the act, of course. The third group are those who make products with a relatively high labor component. This latter group has much to fear because of the much lower basic wage rates that prevail abroad.

It is vitally necessary that we have sensible adjustment assistance, but we must not create another monster similar to the farm program by which we will support unsuccessful, inefficient producers forever.

There are two very disturbing aspects about the future of our foreign-trade program, assuming this Trade Expansion Act becomes law. First, the extremely poor handling of complicated programs by the present administration, coupled with its callous use of Executive power for partisan political purposes, is disturbing in the extreme. Such handling of this program will destroy the great hopes and confidence which many of us have in it. Second, let me say flatly, that the very heart of our economic system is free enterprise. The American worker and businessman can compete with nearly everybody everywhere if given the same set of rules. The reason for our sluggish growth rate, as compared to other free nations, is quite easy to explain. We simply have not taken the necessary steps here in Congress to remove the punitive and confiscatory taxes and regulations which were placed on the free-enterprise system during the depression of the thirties. Excessive rates of taxation, coupled with antiquated depreciation formulas, are more responsible for our lack of growth and relatively high permanent unemployment than any other factors.

Mr. Speaker, I urge my colleagues to support this bill, but at the same time let me emphasize that we must have tax reform and tax-rate reduction if our economy is to grow and prosper. We can create new employment opportunities in no other way. Also, Mr. Speaker, this significant program must be administered honestly, impartially, and efficiently.

A TRIBUTE TO RICHARD RODGERS

(Mr. LINDSAY (at the request of Mr. CAHILL) was granted permission to extend his remarks at this point in the RECORD.)

Mr. LINDSAY. Mr. Speaker, I rise today to pay tribute to a person for whom I have endless admiration and respect, on the occasion of his 60th birthday. That person is Richard Rodgers, whom I am pleased to call my friend as well as my constituent.

From the time he was a small boy, Dick Rodgers knew that he wanted to be a composer. Through years of composing for camp groups, benefits, charity affairs, and several early Broadway efforts; through his years of study at Columbia University and the Juilliard School of Music, he persevered to reach his goal. One day in 1925 when the future was looking especially grim and Dick Rodgers was contemplating the possibility of abandoning composing for a job as an underwear salesman, a former friend asked if Dick Rodgers and his partner, Larry Hart, would write the songs for a special revue which the Theater Guild was putting on to raise money to buy new tapestries for its theater. Dick Rodgers, Larry Hart, and a friend, Herbert Fields, set to work on the show. The result was the immensely successful Garrick Gaieties and the launching of a notable career in the musical theater.

Not only did the lilting strains "Manhattan" and "Sentimental Me" succeed in "guilding the guild" but the American musical stage had a triumverate in Rodgers-Hart-Fields, who filled the bouyant days of the late 1920's with a steady outpouring of marvelous shows that captured so much of the innocence of that carefree era. Shows like "Dearest Enemy," "The Girl Friend," "Peggy-Ann," "A Connecticut Yankee," "Present Arms," and "America's Sweetheart" moved musical comedy out of its old formula-ridden grooves, and on to a level of sophistication and freshness which had seldom been seen on our musical stage. Today, these shows are best remembered for their wonderful songs. The stories, which were pretty realistic stuff in those days, have long been forgotten except by the most long-memoried of connoisseurs. Not so with the songs. If Richard Rodgers were only remembered as a composer of such songs, as "Manhattan," "The Blue Room," "My Heart Stood Still," "Thou's Swell," "You Took Advantage of Me," and "I've Got Five Dollars," to name only a few, he would have more than secured a hallowed place in the Hall of Fame of our musical stage.

During the depression the music of Richard Rodgers never succumbed to the despair of the times. After a brief sojourn in Hollywood, Rodgers and Hart made a triumphant return to Broadway in 1935 when they fashioned the score for Billy Rose's colossal extravaganza "Jumbo." From 1936 until the death of Larry Hart in 1943, the team turned out one spectacular success after another, including "On Your Toes," "The Boys From Syracuse" and "Pal Joey." By the arrival of "Pal Joey" in 1940, one columnist humorously suggested that the team of Rodgers and Hart so dominated the American musical stage that they should be prosecuted for violation of the antitrust laws.

In 1943 an obscure Theater Guild offering named "Away We Go" became "Oklahoma" in New Haven and the team of Rogers and Hammerstein was launched, commencing the most successful collaboration in the history of our musical theater. The best of their shows "Oklahoma," "Carousel," "South Pacific," "The King and I," and "The Sound of Music" are among the most beloved works in the annals of our musical stage.

Throughout his years with both Hart and Hammerstein, Richard Rogers brought the highest level of craftsmanship and artistry to every song in every show. It is interesting to note that some of the least known of his songs are perhaps some of his very best. With the passing of his beloved collaborator, Dick has gone on to a new career on Broadway. The extraordinary success of "No Strings" bears ample testimony to the enduring quality of his genius.

Not only is Dick Rogers one of America's greatest composers, he is also a distinguished producer and contributor to many cultural endeavors in the city of New York and throughout the country. His efforts in aiding the work of Columbia University, the Juilliard School of Music, ASCAP, the New York Philharmonic; the scholarships he has set up for deserving young people in the field of music; the civic work which he has accomplished for the city of New York—all these have brought distinction and betterment to his community and his country.

It is truly amazing, Mr. Speaker, that 1 minute this extraordinary man can be sitting at his desk discussing the production costs of a show, or on the telephone with a friend or associate, or

maybe even breakfasting in a waffle shop in Detroit, as he recently was, during the writing of "No Strings," and then in the next moment can turn out a song which Americans are likely to be singing for years and years to come.

Of course, Dick Rodgers will never stop writing. He loves his work far too much to consider such an eventuality. Fortunately, during the coming year, our lives will once again be brightened by a show with music by Richard Rodgers. It is an event to which we look forward with great anticipation, as we have always looked forward to Rodgers' openings. For almost 40 years Rodgers' openings have brought distinction to the American musical stage and joy into our lives.

Mr. Speaker, I am deeply honored to pay tribute to Richard Rodgers today, to his lovely wife, Dorothy, and to his lovely daughters, Mary and Linda. Dick Rodgers is truly "a wonderful guy." I wish him a very, very happy birthday.

RECIPROCAL TRADE AGREEMENTS PROGRAM

(Mr. DURNO (at the request of Mr. CAHILL) was given permission to extend his remarks at this point in the RECORD.)

Mr. DURNO. Mr. Speaker, one of the most important and far-reaching issues to come before the Congress this year is the admiinistration's trade agreements program. Depending on the way it is enacted and the way it is administered, it can make or break vast segments of our American economy.

The program amounts to a complete rewriting of the Reciprocal Trade Agreements Act that has been our basic foreign trade policy for 28 years. It would give the President unprecedented broad powers in the field of regulating foreign trade. He and his advisers would be empowered to negotiate new trade treaties with other countries or groups of countries sharply lowering, even eliminating in some cases, the tariffs we impose on imports of their products into this country. Theoretically, the other countries would grant us compensatory reciprocal tariff concessions in return.

In his January 25 message requesting the necessary legislation, the President emphasized the changing world conditions of this jet-age era. He pointed to the growth of the European Common Market; he noted that if the United Kingdom and others successfully conclude negotiations to enter the group, almost 90 percent of the free world's industrial production will be concentrated in the United States and the European Economic Community.

The President called attention to the need to increase our exports to help offset the drain on our gold reserves resulting from our foreign aid and oversea military operations. Furthermore, he said, increasing our exports will help accelerate our overall economic growth.

He also referred to the need for increased trade among free world and underdeveloped nations to offset the Communist trade offensive.

I think most Americans would agree that greater international trade is urgently needed, and that in this day and age it is impossible for any nation to exist in economic isolation. Nevertheless, there are fundamental questions about methods of achieving the goal and the extent to which they should be carried. Legitimate and valid inquiries are being raised about some points in the administration program.

Specifically, the President wants two sweeping authorities in the tariffmaking field.

First, he wants "general authority to reduce existing tariffs by 50 percent in reciprocal negotiations."

Second, the wants "special authority to be used in negotiating with the European Economic Community—the Common Market—to reduce or eliminate all tariffs on those groups of products where the United States and the EEC together account for 80 percent or more of world trade."

Furthermore, as a subsidiary to this second point, he asks another authority. It is "to reduce or eliminate all duties and other restrictions on the importation of tropical agricultural and forestry products supplied by friendly less-developed countries and not produced here in any significant quantity, if our action is taken in concert with similar action by the Common Market."

The vagueness and generalities of this particular request should be noted. The President said he needs it to help develop markets for tropical products that are the staple exports of many less-developed countries. He said he referred to items that are not produced in the United States, and mentioned, specifically, only coffee, and bananas. But it raises a question that is particularly pertinent to our Northwest; could the clause be used to boost imports of tropical lumber and plywood? This is a question which has not yet been answered but which I, for one, intend to explore thoroughly.

But to get back to the President's program. He conceded in his message that increased imports brought about by the new tariff-lowering agreements he contemplates, will harm some American companies, farmers, and workers.

His answer to this admitted problem is in familiar vein: more new authority for the President.

On this one, he proposes what he calls trade adjustment assistance. It would permit him to provide special assistance to any workers unemployed or underemployed as a result of increased imports. This assistance would be in three forms:

First. Readjustment allowances of up to 65 percent of the worker's average weekly wage for up to 52 weeks for all workers, plus 13 additional weeks for workers over 60. Normal unemployment insurance compensation would be deducted from the amounts paid under this program, with the Federal Government making up the difference. Thus, what it amounts to is a guarantee, to any worker idled by increased imports, of 65 percent of his normal pay for a year or 65 weeks depending on his age.

Second. Vocational education and training assistance to train the displaced workers in higher and different skills—meaning, to train them for a new trade or type of work.

Third. Financial assistance, for those who cannot find work in their present community, to relocate to a different place in the United States where suitable employment is available. What this means is that the Federal Government would foot the bill for a worker who loses his job because of increased imports, to move to another community where he can get a job.

The President also wants authority to help businessmen or farmers harmed by imports. This would include providing technical information and advice, tax benefits to encourage modernization and diversification, and loan guarantees and loans not commercially available to aid modernization and diversification.

Quite a package.

The President says his program would help American business, farmers, and workers because it would increase our exports more than it would our imports. He says also that the peril-point and escape-clause provisions of the existing tariff law would continue to operate to save some industries which we need to maintain but which would be hurt by imports. Other industries hurt by imports obviously would be allowed to go down the drain, with Federal assistance to displaced workers as I have just outlined.

There are several disturbing facets to this program. For one thing, it is a blatant grab for greater power for the executive branch of our Government.

The Constitution of the United States specifically lodges in the Congress—not in the President—the power to levy duties and imposts, and to regulate commerce with foreign nations. The President's recommended trade agreements legislation most assuredly would give to him the power, which the Constitution gives to the Congress, to levy duties and to regulate commerce with other nations.

Admittedly, the Congress gave up some of its constitutional power in this area 28 years ago when it passed the original reciprocal trade agreements legislation. But that delegation of power in the 1934 act was sharply limited. Here we have the New Frontier going infinitely further than did its predecessor administration of the same ultraliberal political tinge, the New Deal. Here we have the New Frontier saying it must have authority to eliminate tariffs completely in a broad variety of cases. It is in effect demanding the right to impose a death sentence on selected American industries.

This request for transfer of these broad powers from the Congress, where they were placed by the Constitution, to the executive branch, is part and parcel of the New Frontier's basic philosophy. It is simply another phase of the New Frontier's unspoken but unrelenting effort to expand the President's powers over our entire life. It is a logical fol-

lowup to the innumerable requests for so-called back-door spending authority—authority for the President to spend Federal money without going through the normal congressional appropriation process, with its inquiries into how the money is being spent. The dictatorial farm programs proposed by the New Frontier have been in the same pattern. So is the President's request for authority to juggle income taxes. So are innumerable other New Frontier programs aimed at enlarging the powers of the Executive, always at the expense of the rights and powers of Congress and of local and State governments, and at the expense of the freedoms and liberties and rights of individual citizens.

All of this represents a big reason why many Members of Congress are seriously considering the advisability of providing for congressional reviews of new tariff agreements negotiated by the executive branch before they can become effective.

There are other reasons, too.

The President carefully notes that his legislation would continue the peril-point and escape-clause procedures which have been in the law many years, but in what he calls modernized and improved form.

The fact is, of course, that these procedures have been virtually useless as they stand. The peril-point provision has grown rusty from lack of use. The escape clause, which was intended to provide tariff relief for American industries that can show harm from imports, has been almost as bad. Figures show that since 1948, industry has gone to the trouble and expense of filing petitions for escape-clause relief in 130 cases. The Tariff Commission has recommended relief in 40 of the cases—less than one-third of the petitions filed. And of these 40 recommendations for tariff relief, the White House has rejected 23 and acted favorably on only 13. Four others still are awaiting White House action. This means that escape clause relief has been granted in only 1 out of 10 petitions filed with the Tariff Commission. It seems fair to say that it has not provided much help to industries harmed by increased imports.

Actually, the New Frontier thus far has shown no signs whatsoever of any intention or desire to attack the real root of our economic problems, including our international trade. The real root of the problem lies in the relentless inflation that has been eroding the value of our dollar for nearly 30 years and our constantly increasing costs of production.

Massive Government deficit spending has been a prime contributing factor in this inflationary spiral. What is the New Frontier doing about it? In his first full year in office, President Kennedy is creating a $7 billion deficit. For the coming year, he has submitted the biggest peacetime budget ever laid before Congress; he says it will be in precarious balance, but the odds are heavily that in practice it will wind up with another deficit next year. Now he is being forced to ask for a new, alltime high limit on the national debt.

Fiscal responsibility on the part of the Federal Government could contribute much to ending, or at least slowing down, our inflationary spirit. All we have seen from the New Frontier has been fiscal irresponsibility.

The spirit is vicious. As prices have increased for goods and things we must have to live, labor has demanded increased wages. Labor is in with further wage demands this year, and undoubtedly will win at least a part of their demands. Prices then will inch further upward. The round-robin process feeds itself. Governmental fiscal responsibility would cut down its feed.

The point of this discussion in connection with the President's trade program is that our soaring costs of production have made it more and more difficult to find markets abroad for American-made goods. Many items already have been completely priced out of world markets. An administration that truly wants to boost our international trade should start by practicing governmental economy, thus stabilizing our costs of production. On this, however, the New Frontier's braintrust obviously disagrees.

We are fully aware of the need for expanded international trade, and the variety of factors that require this expansion of international trade. We realize the vital need to find new foreign markets for our agricultural products. But we have questions about the program endorsed by the New Frontier.

We want to know whether there is any chance that hardwood plywood imports might be made duty free as a tropical forest product from friendly less-developed countries.

We want to find assurance that the trade agreements contemplated under the program will be truly reciprocal. We seek reason to feel confident that any new trade agreements will bring concessions from other countries of equal value to the concessions we grant to them.

We wonder whether the trade adjustment assistance will be sincerely conducted to relieve hardships resulting from increased imports or whether it will be just another leftist political boondoggle.

These and other questions add up to the reason why many of us in the Congress are determined to read the fine print and find some answers before voting for this broad delegation of power.

Undoubtedly, there will be some form of reciprocal trade legislation enacted this year since the present program expires on June 30.

Whether it will be in the form sought by the administration is problematical. If it can provide satisfactory answers to our questions, it could well be. If its answers are unsatisfactory, there is a good chance the program finally enacted may be in substantially altered form.

The Congress faces a grave responsibility in this legislation. We must be careful lest we do more harm to the American economy than we do it good.

THE PEOPLE'S COLLEGES KEEP PACE: THE UNIVERSITY OF DELAWARE AND THE LAND-GRANT MOVEMENT

(Mr. McDOWELL (at the request of Mr. LIBONATI) was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. McDOWELL. Mr. Speaker, today America celebrates the 100th anniversary of the Morrill Land-Grant College Act. On July 2, 1862, burdened with the military decisions of the Civil War, President Lincoln signed the first Morrill Act into law. Could it be that even Lincoln, the Congress, and the people of that trying era could have foreseen the tremendous benefits of this legislation for future generations of Americans? For, clearly, more than any other single measure, this act has shaped significantly the educational and, perhaps, the economic development of our Nation.

Several reasons have been advanced why the Land-Grant Act received the approval in the 1860's which it had failed to achieve earlier. Obviously, the events of the Civil War dramatized most effectively some of the existing technical and military deficiencies of the Nation. Also, at the war's beginning, the college curriculums had not yet been adapted to the industrial revolution to which America was already deeply committed. Newly developing areas of the curriculum were obviously overlooked at the older established colleges. Unquestionably, then, the Civil War forced educators to recognize those emerging needs resulting from the development of new academic and social disciplines. At the same time, Congress and the public were becoming alert to serious gaps in America's agricultural and industrial leadership.

Yet, I am convinced that there was an even more fundamental reason why the land-grant college movement attained the popularity which led to its enactment and subsequent expansion in 1890 and in later acts. From its beginnings, many of the Nation's leaders had been committed in principle to fostering the education to the common people, the working classes. To be sure, some State universities were founded even before the States were admitted to the Union. Yet, for some 200 years only sporadic interest was shown in extending this democratic concept to include publicly supported higher education for a majority of average citizens throughout all the States. George Washington's idea of a national university was never realized. We were, as a people, still looking back to Europe for our examples. Inevitably, however, the American people found need to revise or reject many of the Old World customs and began to adapt them to New World conditions. Perhaps it took America those long generations to develop a clear and sure awareness of her unique commitments as a nation of many peoples, and many backgrounds. The aristocratic tradition of gentlemen's colleges inevitably gave way to the more

87TH CONGRESS
2D SESSION

H. R. 11970

IN THE SENATE OF THE UNITED STATES

JUNE 29, 1962

Read twice and referred to the Committee on Finance

AN ACT

To promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—SHORT TITLE AND PURPOSES

SEC. 101. SHORT TITLE.

This Act may be cited as the "Trade Expansion Act of 1962".

SEC. 102. STATEMENT OF PURPOSES.

The purposes of this Act are, through trade agreements affording mutual benefits—

(1) to stimulate the economic growth of the United States and maintain and enlarge foreign markets for the products of United States agriculture, industry, mining, and commerce;

(2) to strengthen economic relations with foreign countries through the development of open and non-discriminatory trading in the free world;

(3) to assist in the progress of countries in the earlier stages of economic development; and

(4) to prevent Communist economic penetration.

TITLE II—TRADE AGREEMENTS

CHAPTER 1—GENERAL AUTHORITY

SEC. 201. BASIC AUTHORITY FOR TRADE AGREEMENTS.

(a) Whenever the President determines that any existing duties or other import restrictions of any foreign country or the United States are unduly burdening and restricting the foreign trade of the United States and that any of the purposes stated in section 102 will be promoted thereby, the President may—

(1) after June 30, 1962, and before July 1, 1967, enter into trade agreements with foreign countries or instrumentalities thereof; and

(2) proclaim such modification or continuance of any existing duty or other import restriction, such continuance of existing duty-free or excise treatment, or such additional import restrictions, as he determines to be required or appropriate to carry out any such trade agreement.

(b) Except as otherwise provided in this title, no proclamation pursuant to subsection (a) shall be made—

(1) decreasing any rate of duty to a rate below 50 percent of the rate existing on July 1, 1962; or

(2) increasing any rate of duty to (or imposing) a rate more than 50 percent above the rate existing on July 1, 1934.

SEC. 202. LOW-RATE ARTICLES.

Section 201 (b) (1) shall not apply in the case of any article for which the rate of duty existing on July 1, 1962, is not more than 5 percent ad valorem (or ad valorem equivalent). In the case of an article subject to more than one rate of duty, the preceding sentence shall be applied by taking into account the aggregate of such rates.

CHAPTER 2—SPECIAL PROVISIONS CONCERNING EUROPEAN ECONOMIC COMMUNITY

SEC. 211. IN GENERAL.

(a) In the case of any trade agreement with the European Economic Community, section 201 (b) (1) shall not

apply to articles in any category if, before entering into such trade agreement, the President determines with respect to such category that the United States and all countries of the European Economic Community together accounted for 80 percent or more of the aggregated world export value of all the articles in such category.

(b) For purposes of subsection (a)—

(1) As soon as practicable after the date of the enactment of this Act, the President shall—

(A) after taking into account the availability of trade statistics, select a system of comprehensive classification of articles by category, and

(B) make public his selection of such system.

(2) As soon as practicable after the President has selected a system pursuant to paragraph (1), the Tariff Commission shall—

(A) determine the articles falling within each category of such system, and

(B) make public its determinations.

The determination of the Tariff Commission as to the articles included in any category may be modified only by the Tariff Commission. Such modification by the Tariff Commission may be made only for the purpose of correction, and may be made only before the date on which the first list of articles specifying this section is

furnished by the President to the Tariff Commission pursuant to section 221.

(c) For the purpose of making a determination under subsection (a) with respect to any category—

(1) The determination of the countries of the European Economic Community shall be made as of the date of the request under subsection (d).

(2) The President shall determine "aggregated world export value" with respect to any category of articles—

(A) on the basis of a period which he determines to be representative for such category, which period shall be included in the most recent 5-year period before the date of the request under subsection (d) for which statistics are available and shall contain at least 2 one-year periods,

(B) on the basis of the dollar value of exports as shown by trade statistics in use by the Department of Commerce, and

(C) by excluding exports—

(i) from any country of the European Economic Community to another such country, and

(ii) to or from any country or area which, at any time during the representative period, was denied trade agreement benefits under

section 231 or under section 5 of the Trade Agreements Extension Act of 1951.

(d) Before the President makes a determination under subsection (a) with respect to any category, the Tariff Commission shall (upon request of the President) make findings as to—

(1) the representative period for such category,

(2) the aggregated world export value of the articles falling within such category, and

(3) the percentage of the aggregated world export value of such articles accounted for by the United States and the countries of the European Economic Community,

and shall advise the President of such findings.

(e) The exception to section 201 (b) (1) provided by subsection (a) shall not apply to any article referred to in Agricultural Handbook No. 143, United States Department of Agriculture, as issued in September 1959.

SEC. 212. AGRICULTURAL COMMODITIES.

In the case of any trade agreement with the European Economic Community, section 201 (b) (1) shall not apply to any article referred to in Agricultural Handbook No. 143, United States Department of Agriculture, as issued in September 1959, if before entering into such agreement the President determines that such agreement will tend to assure

the maintenance or expansion of United States exports of the like article.

SEC. 213. TROPICAL AGRICULTURAL AND FORESTRY COMMODITIES.

(a) Section 201 (b) (1) shall not apply to any article if, before entering into the trade agreement covering such article, the President determines that—

(1) such article is a tropical agricultural or forestry commodity;

(2) the like article is not produced in significant quantities in the United States; and

(3) the European Economic Community has made a commitment with respect to duties or other import restrictions which is likely to assure access for such article to the markets of the European Economic Community which—

(A) is comparable to the access which such article will have to the markets of the United States, and

(B) will be afforded substantially without differential treatment as among free world countries of origin.

(b) For purposes of subsection (a), a "tropical agricultural or forestry commodity" is an agricultural or forestry commodity with respect to which the President determines

that more than one-half of the world production is in the area of the world between 20 degrees north latitude and 20 degrees south latitude.

(c) Before the President makes a determination under subsection (a) with respect to any article, the Tariff Commission shall (upon request of the President) make findings as to—

(1) whether or not such article is an agricultural or forestry commodity more than one-half of the world production of which is in the area of the world between 20 degrees north latitude and 20 degrees south latitude, and

(2) whether or not the like article is produced in significant quantities in the United States,

and shall advise the President of such findings.

CHAPTER 3—REQUIREMENTS CONCERNING NEGOTIATIONS

SEC. 221. TARIFF COMMISSION ADVICE.

(a) In connection with any proposed trade agreement under this title, the President shall from time to time publish and furnish the Tariff Commission with lists of articles which may be considered for modification or continuance of United States duties or other import restrictions, or continuance of United States duty-free or excise treatment. In the case of any article with respect to which consideration

may be given to reducing the rate of duty below the 50 percent limitation contained in section 201(b)(1), the list shall specify the section or sections of this title pursuant to which such consideration may be given.

(b) Within 6 months after receipt of such a list, the Tariff Commission shall advise the President with respect to each article of its judgment as to the probable economic effect of modifications of duties or other import restrictions on industries producing like or directly competitive articles. In the course of preparing such advice, the Tariff Commission shall, after reasonable notice, hold public hearings.

SEC. 222. ADVICE FROM DEPARTMENTS.

Before any trade agreement is entered into under this title, the President shall seek information and advice with respect to such agreement from the Departments of Agriculture, Commerce, Defense, Interior, Labor, State, and Treasury, and from such other sources as he may deem appropriate.

SEC. 223. PUBLIC HEARINGS.

In connection with any proposed trade agreement under this title, the President shall afford an opportunity for any interested person to present his views concerning any article on a list published pursuant to section 221, any article which should be so listed, any concession which should be

sought by the United States, or any other matter relevant to such proposed trade agreement. For this purpose, the President shall designate an agency or an interagency committee which shall, after reasonable notice, hold public hearings, shall prescribe regulations governing the conduct of such hearings, and shall furnish the President with a summary of such hearings.

SEC. 224. PREREQUISITE FOR OFFERS.

The President may make an offer for the modification or continuance of any duty or other import restriction, or continuance of duty-free or excise treatment, with respect to any article only after he has received advice concerning such article from the Tariff Commission under section 221 (b), or after the expiration of the relevant 6-month period provided for in that section, whichever first occurs, and only after the President has received a summary of the hearings at which an opportunity to be heard with respect to such article has been afforded under section 223.

SEC. 225. RESERVATION OF ARTICLES FROM NEGOTIATIONS.

(a) While there is in effect with respect to any article any action taken under—

(1) section 232 or 351,

(2) section 2 (b) of the Act entitled "An Act to extend the authority of the President to enter into trade

agreements under section 350 of the Tariff Act of 1930, as amended", approved July 1, 1954 (19 U.S.C., sec. 1352a), or

(3) section 7 of the Trade Agreements Extension Act of 1951 (19 U.S.C., sec. 1364),

the President shall reserve such article from negotiations under this title for the reduction of any duty or other import restriction or the elimination of any duty.

(b) During the 4-year period which begins on the date of the enactment of this Act, the President shall reserve an article (other than an article which, on the date of the enactment of this Act, was described in subsection (a) (3)) from negotiation under this title for the reduction of any duty or other import restriction or the elimination of any duty where—

(1) pursuant to section 7 of the Trade Agreements Extension Act of 1951 (or pursuant to a comparable Executive Order), the Tariff Commission found by a majority of the Commissioners voting that such article was being imported in such increased quantities as to cause or threaten serious injury to an industry,

(2) such article is included in a list furnished to the Tariff Commission pursuant to section 221 (and has not been included in a prior list so furnished), and

(3) upon request on behalf of the industry, made

not later than 60 days after the date of the publication of such list, the Tariff Commission finds and advises the President that economic conditions in such industry have not substantially improved since the date of the report of the finding referred to in paragraph (1).

(c) In addition to the articles described by subsections (a) and (b), the President shall also so reserve any other article which he determines to be appropriate, taking into consideration the advice of the Tariff Commission under section 221 (b), any advice furnished to him under section 222, and the summary furnished to him under section 223.

SEC. 226. TRANSMISSION OF AGREEMENTS TO CONGRESS.

The President shall transmit promptly to each House of Congress a copy of each trade agreement entered into under this title, together with a statement, in the light of the advice of the Tariff Commission under section 221 (b) and of other relevant considerations, of his reasons for entering into the agreement.

CHAPTER 4—NATIONAL SECURITY

SEC. 231. PRODUCTS OF COMMUNIST COUNTRIES OR AREAS.

The President shall, as soon as practicable, suspend, withdraw, or prevent the application of the reduction, elimination, or continuance of any existing duty or other import restriction, or the continuance of any existing duty-free or

excise treatment, proclaimed in carrying out any trade agreement under this title or under section 350 of the Tariff Act of 1930, to products, whether imported directly or indirectly, of any country or area dominated or controlled by Communism.

SEC. 232. SAFEGUARDING NATIONAL SECURITY.

(a) No action shall be taken pursuant to section 201 (a) or pursuant to section 350 of the Tariff Act of 1930 to decrease or eliminate the duty or other import restriction on any article if the President determines that such reduction or elimination would threaten to impair the national security.

(b) Upon request of the head of any department or agency, upon application of an interested party, or upon his own motion, the Director of the Office of Emergency Planning (hereinafter in this section referred to as the "Director") shall immediately make an appropriate investigation, in the course of which he shall seek information and advice from other appropriate departments and agencies, to determine the effects on the national security of imports of the article which is the subject of such request, application, or motion. If, as a result of such investigation, the Director is of the opinion that the said article is being imported into the United States in such quantities or under such circumstances as to threaten to impair the national security, he shall promptly so advise the President, and,

unless the President determines that the article is not being imported into the United States in such quantities or under such circumstances as to threaten to impair the national security as set forth in this section, he shall take such action, and for such time, as he deems necessary to adjust the imports of such article and its derivatives so that such imports will not so threaten to impair the national security.

(c) For the purposes of this section, the Director and the President shall, in the light of the requirements of national security and without excluding other relevant factors, give consideration to domestic production needed for projected national defense requirements, the capacity of domestic industries to meet such requirements, existing and anticipated availabilities of the human resources, products, raw materials, and other supplies and services essential to the national defense, the requirements of growth of such industries and such supplies and services including the investment, exploration, and development necessary to assure such growth, and the importation of goods in terms of their quantities, availabilities, character, and use as those affect such industries and the capacity of the United States to meet national security requirements. In the administration of this section, the Director and the President shall further recognize the close relation of the economic welfare of the Nation to our national security, and shall take into consideration the

impact of foreign competition on the economic welfare of individual domestic industries; and any substantial unemployment, decrease in revenues of government, loss of skills or investment, or other serious effects resulting from the displacement of any domestic products by excessive imports shall be considered, without excluding other factors, in determining whether such weakening of our internal economy may impair the national security.

(d) A report shall be made and published upon the disposition of each request, application, or motion under subsection (b). The Director shall publish procedural regulations to give effect to the authority conferred on him by subsection (b).

CHAPTER 5—ADMINISTRATIVE PROVISIONS

SEC. 241. SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS.

(a) The President shall appoint, by and with the advice and consent of the Senate, a Special Representative for Trade Negotiations, who shall be the chief representative of the United States for each negotiation under this title and for such other negotiations as in the President's judgment require that the Special Representative be the chief representative of the United States. The Special Representative for Trade Negotiations shall hold office at the pleasure of the President, shall be entitled to receive the same compensation and allow-

ances as a chief of mission, shall have the rank of ambassador extraordinary and plenipotentiary, and shall be an ex-officio member of the organization established pursuant to section 242(a).

(b) The Special Representative for Trade Negotiations shall, in the performance of his functions under subsection (a), seek information and advice with respect to each negotiation from representatives of industry, agriculture, and labor, and from such agencies of the United States as he deems appropriate.

SEC. 242. INTERAGENCY TRADE ORGANIZATION.

(a) The President shall establish an interagency organization to assist him in carrying out the functions vested in him by this title and chapter 4 of title III. Such organization shall have as its chairman a Cabinet officer selected by the President, and shall be composed of the heads of such departments and of such other officers as the President shall designate. It shall meet periodically at such times and with respect to such matters as the President or the chairman of the organization shall direct. The organization may invite the participation in its activities of any agency not represented in the organization when matters of interest to such agency are under consideration.

(b) In assisting the President, the organization shall—

(1) make recommendations to the President on basic policy issues arising in the administration of the trade agreements program,

(2) make recommendations to the President as to what action, if any, he should take on reports with respect to tariff adjustment submitted to him by the Tariff Commission under section 301 (e),

(3) advise the President of the results of hearings concerning unjustifiable foreign import restrictions held pursuant to section 252 (c), and recommend appropriate action with respect thereto, and

(4) perform such other functions with respect to the trade agreements program as the President may from time to time designate.

(c) The organization shall, to the maximum extent practicable, draw upon the resources of the agencies represented in the organization, as well as such other agencies as it may determine, including the Tariff Commission. In addition, the President may establish by regulation such procedures and committees as he may determine to be necessary to enable the organization to provide for the conduct of

hearings pursuant to section 252(c), and for the carrying out of other functions assigned to the organization pursuant to this section.

SEC. 243. CONGRESSIONAL DELEGATES TO NEGOTIATIONS.

Before each negotiation under this title, the President shall, upon the recommendation of the Speaker of the House of Representatives, select two members (not of the same political party) of the Committee on Ways and Means, and shall, upon the recommendation of the President of the Senate, select two members (not of the same political party) of the Committee on Finance, who shall be accredited as members of the United States delegation to such negotiation.

CHAPTER 6—GENERAL PROVISIONS

SEC. 251. MOST-FAVORED-NATION PRINCIPLE.

Except as otherwise provided in this title, any duty or other import restriction or duty-free treatment proclaimed in carrying out any trade agreement under this title or section 350 of the Tariff Act of 1930 shall apply to products of all foreign countries, whether imported directly or indirectly.

SEC. 252. FOREIGN IMPORT RESTRICTIONS.

(a) Whenever unjustifiable foreign import restrictions impair the value of tariff commitments made to the United

States, oppress the commerce of the United States, or prevent the expansion of trade on a mutually advantageous basis, the President shall—

(1) take all appropriate and feasible steps within his power to eliminate such restrictions, and

(2) refrain from negotiating the reduction or elimination of any United States import restriction under section 201 (a) in order to obtain the reduction or elimination of any such restrictions.

(b) Whenever a foreign country or instrumentality the products of which receive benefits of trade agreement concessions made by the United States—

(1) maintains nontariff trade restrictions, including unlimited variable import fees, which substantially burden United States commerce in a manner inconsistent with provisions of trade agreements, or

(2) engages in discriminatory or other acts (including tolerance of international cartels) or policies unjustifiably restricting United States commerce,

the President shall, to the extent that such action is consistent with the purposes of section 102—

(A) suspend, withdraw, or prevent the application of benefits of trade agreements concessions to products of such country or instrumentality, or

(B) refrain from proclaiming benefits of trade agreement concessions to carry out a trade agreement with such country or instrumentality.

(c) The President shall provide an opportunity for the presentation of views concerning unjustifiable foreign import restrictions maintained against United States commerce. Upon request by any interested person, the President shall, through the organization established pursuant to section 242 (a), provide for appropriate public hearings with respect to such restrictions after reasonable notice and provide for the issuance of regulations concerning the conduct of such hearings.

SEC. 253. STAGING REQUIREMENTS.

(a) Except as otherwise provided in this section and in section 254, the aggregate reduction in the rate of duty on any article which is in effect on any day pursuant to a trade agreement under this title shall not exceed the aggregate reduction which would have been in effect on such day if—

(1) one-fifth of the total reduction under such agreement for such article had taken effect on the date of the first proclamation pursuant to section 201 (a) to carry out such trade agreement, and

(2) the remaining four-fifths of such total reduction had taken effect in four equal installments at 1-year intervals after the date referred to in paragraph (1).

(b) Subsection (a) shall not apply to any article with respect to which the President has made a determination under section 213 (a).

(c) In the case of an article the rate of duty on which has been or is to be reduced pursuant to a prior trade agreement, no reduction shall take effect pursuant to a trade agreement entered into under section 201 (a) before the expiration of 1 year after the taking effect of the final reduction pursuant to such prior agreement.

(d) If any part of a reduction takes effect, then any time thereafter during which such part of the reduction is not in effect by reason of legislation of the United States or action thereunder shall be excluded in determining—

(1) the 1-year intervals referred to in subsection (a) (2), and

(2) the expiration of the 1 year referred to in subsection (c).

SEC. 254. ROUNDING AUTHORITY.

If the President determines that such action will simplify the computation of the amount of duty imposed with respect to an article, he may exceed the limitation provided by section 201 (b) (1) or 253 by not more than whichever of the following is lesser:

(1) the difference between the limitation and the next lower whole number, or

(2) one-half of 1 percent ad valorem or an amount the ad valorem equivalent of which is one-half of 1 percent.

SEC. 255. TERMINATION.

(a) Every trade agreement entered into under this title shall be subject to termination or withdrawal, upon due notice, at the end of a period specified in the agreement. Such period shall be not more than 3 years from the date on which the agreement becomes effective. If the agreement is not terminated or withdrawn from at the end of the period so specified, it shall be subject to termination or withdrawal thereafter upon not more than 6 months' notice.

(b) The President may at any time terminate, in whole or in part, any proclamation made under this title.

SEC. 256. DEFINITIONS.

For purposes of this title—

(1) The term "European Economic Community" means the instrumentality known by such name or any successor thereto.

(2) The countries of the European Economic Community as of any date shall be those countries which on such date are agreed to achieve a common external tariff through the European Economic Community.

(3) The term "agreement with the European Economic Community" means an agreement to which the

United States and all countries of the European Economic Community (determined as of the date such agreement is entered into) are parties. For purposes of the preceding sentence, each country for which the European Economic Community signs an agreement shall be treated as a party to such agreement.

(4) The term "existing on July 1, 1962", as applied to a rate of duty, refers to the lowest nonpreferential rate of duty (however established, and even though temporarily suspended by Act of Congress or otherwise) existing on such date or (if lower) the lowest nonpreferential rate to which the United States is committed on such date and which may be proclaimed under section 350 of the Tariff Act of 1930.

(5) The term "existing on July 1, 1934", as applied to a rate of duty, refers to the rate of duty (however established, and even though temporarily suspended by Act of Congress or otherwise) existing on such date.

(6) The term "existing" without the specification of any date, when used with respect to any matter relating to entering into, or any proclamation to carry out, a trade agreement, means existing on the day on which such trade agreement is entered into.

(7) The term "ad valorem equivalent" means the

ad valorem equivalent of a specific rate or, in the case of a combination of rates including a specific rate, the sum of the ad valorem equivalent of the specific rate and of the ad valorem rate. The ad valorem equivalent shall be determined by the President on the basis of the value of imports of the article concerned during a period determined by him to be representative. In determining the value of imports, the President shall utilize, to the maximum extent practicable, the standards of valuation contained in section 402 or 402a of the Tariff Act of 1930 (19 U.S.C., sec. 1401a or 1402) applicable to the article concerned during such representative period.

SEC. 257. RELATION TO OTHER LAWS.

(a) The first sentence of subsection (b) of section 350 of the Tariff Act of 1930 is amended by striking out "this section" each place it appears and inserting in lieu thereof "this section or the Trade Expansion Act of 1962". The second sentence of such subsection (b) is amended by striking out "this Act" and inserting in lieu thereof "this Act or the Trade Expansion Act of 1962". The third sentence of such subsection (b) is amended by striking out "1955," in paragraph (2) and inserting in lieu thereof "1955, and

before July 1, 1962," and by adding at the end thereof the following new paragraph:

"(3) In order to carry out a foreign trade agreement entered into after June 30, 1962, and before July 1, 1967, below the lowest rate permissible by applying title II of the Trade Expansion Act of 1962 to the rate of duty (however established, and even though temporarily suspended by Act of Congress or otherwise) existing on July 1, 1962, with respect to such product."

(b) Subsections (a) (5) and (e) of section 350 of the Tariff Act of 1930 are repealed.

(c) For purposes only of entering into trade agreements pursuant to the notices of intention to negotiate published in the Federal Register of May 28, 1960, and the Federal Register of November 23, 1960, the period during which the President is authorized to enter into foreign trade agreements under section 350 of the Tariff Act of 1930 is hereby extended from the close of June 30, 1962, until the close of December 31, 1962.

(d) The second and third sentences of section 2 (a) of

the Act entitled "An Act to amend the Tariff Act of 1930", approved June 12, 1934, as amended (19 U.S.C., sec. 1352 (a)), are each amended by striking out "this Act" and inserting in lieu thereof "this Act or the Trade Expansion Act of 1962".

(e) (1) Sections 5, 6, 7, and 8 (a) of the Trade Agreements Extension Act of 1951 are repealed.

(2) Action taken by the President under section 5 of such Act and in effect on the date of the enactment of this Act shall be considered as having been taken by the President under section 231.

(3) Any investigation by the Tariff Commission under section 7 of such Act which is in progress on the date of the enactment of this Act shall be continued under section 301 as if the application by the interested party were a petition under such section for tariff adjustment under section 351. For purposes of section 301 (f), such petition shall be treated as having been filed on the date of the enactment of this Act.

(f) Section 2 of the Act entitled "An Act to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended", approved July 1, 1954, is repealed. Any action (including any investigation begun) under such section 2 before the date of the enactment of this Act shall be considered as having been taken or begun under section 232.

TITLE III—TARIFF ADJUSTMENT AND OTHER ADJUSTMENT ASSISTANCE

CHAPTER 1—ELIGIBILITY FOR ASSISTANCE

SEC. 301. TARIFF COMMISSION INVESTIGATIONS AND REPORTS.

(a) (1) Petitions for tariff adjustment under section 351 or for determinations of eligibility to apply for adjustment assistance under chapter 2 or 3 may be filed with the Tariff Commission by firms, groups of workers, or industries. In the case of a firm, such petition may be filed by the firm or its representative. In the case of a group of workers, such petition may be filed by the workers or by their certified or recognized union or other duly authorized representative. In the case of an industry, such petition may be filed by a trade association, firm, certified or recognized union, or other representative.

(2) Whenever a petition is filed under this subsection, the Tariff Commission shall transmit a copy thereof to the Secretary of Commerce.

(b) (1) Upon the request of the President, upon resolution of either the Committee on Finance of the Senate or the Committee on Ways and Means of the House of Representatives, upon its own motion, or upon the filing of a petition under subsection (a) (1), the Tariff Commission shall

promptly make an investigation to determine whether, as a result of concessions granted under trade agreements, an article is being imported into the United States in such increased quantities as to cause, or threaten to cause, serious injury to the domestic industry producing an article which is like or directly competitive with the imported article.

(2) In making its determination under paragraph (1), the Tariff Commission shall take into account all economic factors which it considers relevant, including idling of productive facilities, inability to operate at a profit, and unemployment or underemployment.

(3) No investigation for the purpose of paragraph (1) shall be made, upon petition filed under subsection (a) (1), with respect to the same subject matter as a previous investigation under paragraph (1), unless one year has elapsed since the Tariff Commission made its report to the President of the results of such previous investigation.

(c) (1) In the case of a petition by a firm for a determination of eligibility to apply for adjustment assistance under chapter 2, the Tariff Commission shall, in addition to making an industry determination under subsection (b), determine whether, as a result of concessions granted under trade agreements, an article like or directly competitive with an article produced by the firm is being imported into the United States in such increased quantities as to cause,

or threaten to cause, serious injury to such firm. In making its determination under this paragraph, the Tariff Commission shall take into account all economic factors which it considers relevant, including idling of productive facilities of the firm, inability of the firm to operate at a profit, and unemployment or underemployment in the firm.

(2) In the case of a petition by a group of workers for a determination of eligibility to apply for adjustment assistance under chapter 3, the Tariff Commission shall, in addition to making an industry determination under subsection (b), determine whether, as a result of concessions granted under trade agreements, an article like or directly competitive with an article produced by such workers' firm, or an appropriate subdivision thereof, is being imported into the United States in such increased quantities as to cause, or threaten to cause, unemployment or underemployment of a significant number or proportion of the workers of such firm or subdivision.

(3) The Tariff Commission may provide that, during a period beginning not earlier than 30 days after the publication of notice of hearings with respect to an industry and ending not later than the date of the report of the Tariff Commission with respect thereto under subsection (f) (2), no petition may be filed under subsection (a) (1) by a firm or group of workers in such industry with respect to the same imported article and the same domestic article.

(d) In the course of any investigation under this section, the Tariff Commission shall, after reasonable notice, hold public hearings and shall afford interested parties opportunity to be present, to produce evidence, and to be heard at such hearings.

(e) Should the Tariff Commission find with respect to any article, as the result of its investigation, the serious injury or threat thereof described in subsection (b), it shall find the amount of the increase in, or imposition of, any duty or other import restriction on such article which is necessary to prevent or remedy such injury and shall include such finding in its report to the President.

(f) (1) The Tariff Commission shall report to the President the results of each investigation under this section and include in each report any dissenting or separate views. The Tariff Commission shall furnish to the President a transcript of the hearings and any briefs which may have been submitted in connection with each investigation.

(2) The report of the Tariff Commission of its determination under subsection (b) shall be made at the earliest practicable time, but not later than 120 days after the date on which the petition is filed (or the date on which the request or resolution is received or the motion is adopted, as the case may be), unless the President extends such time for an additional period, which shall not exceed 30 days.

Upon making such report to the President, the Tariff Commission shall promptly make public such report, and shall cause a summary thereof to be published in the Federal Register.

(3) The report of the Tariff Commission of its determination under subsection (c) (1) or (c) (2) with respect to any firm or group of workers shall be made at the earliest practicable time, but not later than 60 days after the date on which the petition is filed.

SEC. 302. PRESIDENTIAL ACTION AFTER TARIFF COMMISSION DETERMINATION.

(a) After receiving a report from the Tariff Commission containing an affirmative finding under section 301 (b) with respect to any industry, the President may—

(1) provide tariff adjustment for such industry pursuant to section 351,

(2) provide, with respect to such industry, that its firms may request the Secretary of Commerce for certifications of eligibility to apply for adjustment assistance under chapter 2,

(3) provide, with respect to such industry, that its workers may request the Secretary of Labor for certifications of eligibility to apply for adjustment assistance under chapter 3, or

(4) take any combination of such actions.

(b) (1) The Secretary of Commerce shall certify, as eligible to apply for adjustment assistance under chapter 2, any firm in an industry with respect to which the President has acted under subsection (a) (2), upon a showing by such firm to the satisfaction of the Secretary of Commerce that the increased imports (which the Tariff Commission has determined to result from concessions granted under trade agreements) have caused serious injury or threat thereof to such firm.

(2) The Secretary of Labor shall certify, as eligible to apply for adjustment assistance under chapter 3, any group of workers in an industry with respect to which the President has acted under subsection (a) (3), upon a showing by such group of workers to the satisfaction of the Secretary of Labor that the increased imports (which the Tariff Commission has determined to result from concessions granted under trade agreements) have caused or threatened to cause unemployment or underemployment of a significant number or proportion of workers of such workers' firm or subdivision thereof.

(c) After receiving a report from the Tariff Commission containing an affirmative finding under section 301 (c) with respect to any firm or group of workers, the President may certify that such firm or group of workers is eligible to apply for adjustment assistance.

(d) Any certification under subsection (b) or (c) that a group of workers is eligible to apply for adjustment assistance shall specify the date on which the unemployment or underemployment began or threatens to begin.

(e) Whenever the President determines, with respect to any certification of the eligibility of a group of workers, that separations from the firm or subdivision thereof are no longer attributable to the conditions specified in section 301 (c) (2) or in subsection (b) (2) of this section, he shall terminate the effect of such certification. Such termination shall apply only with respect to separations occurring after the termination date specified by the President.

CHAPTER 2—ASSISTANCE TO FIRMS

SEC. 311. CERTIFICATION OF ADJUSTMENT PROPOSALS.

(a) A firm certified under section 302 as eligible to apply for adjustment assistance may, at any time within 2 years after the date of such certification, file an application with the Secretary of Commerce for adjustment assistance under this chapter. Within a reasonable time after filing its application, the firm shall present a proposal for its economic adjustment.

(b) Adjustment assistance under this chapter consists of technical assistance, financial assistance, and tax assistance, which may be furnished singly or in combination. Except as

provided in subsection (c), no adjustment assistance shall be provided to a firm under this chapter until its adjustment proposal shall have been certified by the Secretary of Commerce—

(1) to be reasonably calculated materially to contribute to the economic adjustment of the firm,

(2) to give adequate consideration to the interests of the workers of such firm adversely affected by actions taken in carrying out trade agreements, and

(3) to demonstrate that the firm will make all reasonable efforts to use its own resources for economic development.

(c) In order to assist a firm which has applied for adjustment assistance under this chapter in preparing a sound adjustment proposal, the Secretary of Commerce may furnish technical assistance to such firm prior to certification of its adjustment proposal.

(d) Any certification made pursuant to this section shall remain in force only for such period as the Secretary of Commerce may prescribe.

SEC. 312. USE OF EXISTING AGENCIES.

(a) The Secretary of Commerce shall refer each certified adjustment proposal to such agency or agencies as

he determines to be appropriate to furnish the technical and financial assistance necessary to carry out such proposal.

(b) Upon receipt of a certified adjustment proposal, each agency concerned shall promptly—

(1) examine the aspects of the proposal relevant to its functions, and

(2) notify the Secretary of Commerce of its determination as to the technical and financial assistance it is prepared to furnish to carry out the proposal.

(c) Whenever and to the extent that any agency to which an adjustment proposal has been referred notifies the Secretary of Commerce of its determination not to furnish technical or financial assistance, and if the Secretary of Commerce determines that such assistance is necessary to carry out the adjustment proposal, he may furnish adjustment assistance under sections 313 and 314 to the firm concerned.

(d) There are hereby authorized to be appropriated to the Secretary of Commerce such sums as may be necessary from time to time to carry out his functions under this chapter in connection with furnishing adjustment assistance to firms, which sums are authorized to be appropriated to remain available until expended.

SEC. 313. TECHNICAL ASSISTANCE.

(a) Upon compliance with section 312(c), the Secretary of Commerce may provide to a firm, on such terms and conditions as he determines to be appropriate, such technical assistance as in his judgment will materially contribute to the economic adjustment of the firm.

(b) To the maximum extent practicable, the Secretary of Commerce shall furnish technical assistance under this section and section 311(c) through existing agencies, and otherwise through private individuals, firms, or institutions.

(c) The Secretary of Commerce shall require a firm receiving technical assistance under this section or section 311(c) to share the cost thereof to the extent he determines to be appropriate.

SEC. 314. FINANCIAL ASSISTANCE.

(a) Upon compliance with section 312(c), the Secretary of Commerce may provide to a firm, on such terms and conditions as he determines to be appropriate, such financial assistance in the form of guarantees of loans, agreements for deferred participations in loans, or loans, as in his judgment will materially contribute to the economic adjustment of the firm. The assumption of an outstanding indebtedness of the firm, with or without recourse, shall be considered to be the making of a loan for purposes of this section.

(b) Guarantees, agreements for deferred participations, or loans shall be made under this section only for the purpose of making funds available to the firm—

(1) for acquisition, construction, installation, modernization, development, conversion, or expansion of land, plant, buildings, equipment, facilities, or machinery, or

(2) in cases determined by the Secretary of Commerce to be exceptional, to supply working capital.

(c) To the maximum extent practicable, the Secretary of Commerce shall furnish financial assistance under this section through agencies furnishing financial assistance under other law.

SEC. 315. CONDITIONS FOR FINANCIAL ASSISTANCE.

(a) No loan shall be guaranteed and no agreement for deferred participation in a loan shall be made by the Secretary of Commerce in an amount which exceeds 90 percent of that portion of the loan made for purposes specified in section 314(b).

(b) (1) Any loan made or deferred participation taken up by the Secretary of Commerce shall bear interest at a rate not less than the greater of—

(A) 4 percent per annum, or

(B) a rate determined by the Secretary of the Treasury for the year in which the loan is made or the agreement for such deferred participation is entered into.

(2) The Secretary of the Treasury shall determine annually the rate referred to in paragraph (1) (B), taking into consideration the current average market yields on outstanding interest-bearing marketable public debt obligations of the United States of maturities comparable to those of the loans outstanding under section 314.

(c) Guarantees or agreements for deferred participation shall be made by the Secretary of Commerce only with respect to loans bearing interest at a rate which he determines to be reasonable. In no event shall the guaranteed portion of any loan, or the portion covered by an agreement for deferred participation, bear interest at a rate more than 1 percent per annum above the rate prescribed by subsection (b) (determined when the guarantee is made or the agreement is entered into), unless the Secretary of Commerce shall determine that special circumstances justify a higher rate, in which case such portion of the loan shall bear interest at a rate not more than 2 percent per annum above such prescribed rate.

(d) The Secretary of Commerce shall make no loan or guarantee having a maturity in excess of 25 years, including renewals and extensions, and shall make no agreement for

deferred participation in a loan which has a maturity in excess of 25 years, including renewals and extensions. Such limitation on maturities shall not, however, apply to—

(1) securities or obligations received by the Secretary of Commerce as claimant in bankruptcy or equitable reorganization, or as creditor in other proceedings attendant upon insolvency of the obligor, or

(2) an extension or renewal for an additional period not exceeding 10 years, if the Secretary of Commerce determines that such extension or renewal is reasonably necessary for the orderly liquidation of the loan.

(e) No financial assistance shall be provided under section 314 unless the Secretary of Commerce determines that such assistance is not otherwise available to the firm, from sources other than the United States, on reasonable terms, and that there is reasonable assurance of repayment by the borrower.

(f) The Secretary of Commerce shall maintain operating reserves with respect to anticipated claims under guarantees and under agreements for deferred participation made under section 314. Such reserves shall be considered to constitute obligations for purposes of section 1311 of the Supplemental Appropriation Act, 1955 (31 U.S.C., sec. 200).

SEC. 316. ADMINISTRATION OF FINANCIAL ASSISTANCE.

(a) In making and administering guarantees, agreements for deferred participation, and loans under section 314, the Secretary of Commerce may—

(1) require security for any such guarantee, agreement, or loan, and enforce, waive, or subordinate such security;

(2) assign or sell at public or private sale, or otherwise dispose of, upon such terms and conditions and for such consideration as he shall determine to be reasonable, any evidence of debt, contract, claim, personal property, or security assigned to or held by him in connection with such guarantees, agreements, or loans, and collect, compromise, and obtain deficiency judgments with respect to all obligations assigned to or held by him in connection with such guarantees, agreements, or loans until such time as such obligations may be referred to the Attorney General for suit or collection;

(3) renovate, improve, modernize, complete, insure, rent, sell, or otherwise deal with, upon such terms and conditions and for such consideration as he shall determine to be reasonable, any real or personal property conveyed to or otherwise acquired by him in connection with such guarantees, agreements, or loans;

(4) acquire, hold, transfer, release, or convey

any real or personal property or any interest therein whenever deemed necessary or appropriate, and execute all legal documents for such purposes; and

(5) exercise all such other powers and take all such other acts as may be necessary or incidental to the carrying out of functions pursuant to section 314.

(b) Any mortgage acquired as security under subsection (a) shall be recorded under applicable State law.

SEC. 317. TAX ASSISTANCE.

(a) If—

(1) to carry out an adjustment proposal of a firm certified pursuant to section 311, such firm applies for tax assistance under this section within 24 months after the close of a taxable year and alleges in such application that it has sustained a net operating loss for such taxable year,

(2) the Secretary of Commerce determines that any such alleged loss for such taxable year arose predominantly out of the carrying on of a trade or business which was seriously injured, during such year, by the increased imports which the Tariff Commission has determined to result from concessions granted under trade agreements, and

(3) the Secretary of Commerce determines that

tax assistance under this section will materially contribute to the economic adjustment of the firm,

then the Secretary of Commerce shall certify such determinations with respect to such firm for such taxable year. No determination or certification under this subsection shall constitute a determination of the existence or amount of any net operating loss for purposes of section 172 of the Internal Revenue Code of 1954.

(b) Subsection (b) of section 172 of the Internal Revenue Code of 1954 (relating to net operating loss carrybacks and carryovers) is amended to read as follows:

"(b) NET OPERATING LOSS CARRYBACKS AND CARRYOVERS.—

"(1) YEARS TO WHICH LOSS MAY BE CARRIED.—A net operating loss for any taxable year ending after December 31, 1957, shall be—

"(A) except as provided in subparagraph (B), a net operating loss carryback to each of the 3 taxable years preceding the taxable year of such loss,

"(B) in the case of a taxpayer with respect to a taxable year ending on or after December 31, 1962, for which a certification has been issued under section 317 of the Trade Expansion Act of 1962, a net operating loss carryback to each of the 5 taxable years preceding the taxable year of such loss, and

"(C) a net operating loss carryover to each of the 5 taxable years following the taxable year of such loss.

"(2) AMOUNT OF CARRYBACKS AND CARRYOVERS.—Except as provided in subsection (i), the entire amount of the net operating loss for any taxable year (hereinafter in this section referred to as the 'loss year') shall be carried to the earliest of the taxable years to which (by reason of paragraph (1)) such loss may be carried. The portion of such loss which shall be carried to each of the other taxable years shall be the excess, if any, of the amount of such loss over the sum of the taxable income for each of the prior taxable years to which such loss may be carried. For purposes of the preceding sentence, the taxable income for any such prior taxable year shall be computed—

"(A) with the modifications specified in subsection (d) other than paragraphs (1), (4), and (6) thereof; and

"(B) by determining the amount of the net operating loss deduction without regard to the net operating loss for the loss year or for any taxable year thereafter,

and the taxable income so computed shall not be considered to be less than zero.

"(3) SPECIAL RULES.—

"(A) Paragraph (1) (B) shall apply only if—

"(i) there has been filed, at such time and in such manner as may be prescribed by the Secretary or his delegate, a notice of filing of the application under section 317 of the Trade Expansion Act of 1962 for tax assistance, and, after its issuance, a copy of the certification under such section, and

"(ii) the taxpayer consents in writing to the assessment, within such period as may be agreed upon with the Secretary or his delegate, of any deficiency for any year to the extent attributable to the disallowance of a deduction previously allowed with respect to such net operating loss, even though at the time of filing such consent the assessment of such deficiency would otherwise be prevented by the operation of any law or rule of law.

"(B) In the case of—

"(i) a partnership and its partners, or

"(ii) an electing small business corporation under subchapter S and its shareholders,

paragraph (1) (B) shall apply as determined under

regulations prescribed by the Secretary or his delegate. Such paragraph shall apply to a net operating loss of a partner or such a shareholder only if it arose predominantly from losses in respect of which certifications under section 317 of the Trade Expansion Act of 1962 were filed under this section."

(c) Subsection (h) of section 6501 of the Internal Revenue Code of 1954 (relating to limitations on assessment and collection in the case of net operating loss carrybacks) is amended by inserting before the period: ", or within 18 months after the date on which the taxpayer files in accordance with section 172(b)(3) a copy of the certification (with respect to such taxable year) issued under section 317 of the Trade Expansion Act of 1962, whichever is later".

(d) Section 6511(d)(2)(A) of the Internal Revenue Code of 1954 (relating to special period of limitation on credit or refund with respect to net operating loss carrybacks) is amended to read as follows:

"(A) PERIOD OF LIMITATION.—If the claim for credit or refund relates to an overpayment attributable to a net operating loss carryback, in lieu of the 3-year period of limitation prescribed in subsection (a), the period shall be that period which ends with the expiration of the 15th day of the 40th

month (or the 39th month, in the case of a corporation) following the end of the taxable year of the net operating loss which results in such carryback, or the period prescribed in subsection (c) in respect of such taxable year, whichever expires later; except that—

"(i) with respect to an overpayment attributable to a net operating loss carryback to any year on account of a certification issued to the taxpayer under section 317 of the Trade Expansion Act of 1962, the period shall not expire before the expiration of the sixth month following the month in which such certification is issued to the taxpayer, and

"(ii) with respect to an overpayment attributable to the creation of, or an increase in, a net operating loss carryback as a result of the elimination of excessive profits by a renegotiation (as defined in section 1481(a)(1)(A)), the period shall not expire before September 1, 1959, or the expiration of the twelfth month following the month in which the agreement or order for the elimination of such excessive profits becomes final, whichever is the later.

In the case of such a claim, the amount of the credit

or refund may exceed the portion of the tax paid within the period provided in subsection (b) (2) or (c), whichever is applicable, to the extent of the amount of the overpayment attributable to such carryback."

SEC. 318. PROTECTIVE PROVISIONS.

(a) Each recipient of adjustment assistance under section 313, 314, or 317 shall keep records which fully disclose the amount and disposition by such recipient of the proceeds, if any, of such adjustment assistance, and which will facilitate an effective audit. The recipient shall also keep such other records as the Secretary of Commerce may prescribe.

(b) The Secretary of Commerce and the Comptroller General of the United States shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipient pertaining to adjustment assistance under sections 313, 314, and 317.

(c) No adjustment assistance shall be extended under section 313, 314, or 317 to any firm unless the owners, partners, or officers certify to the Secretary of Commerce—

(1) the names of any attorneys, agents, and other persons engaged by or on behalf of the firm for the purpose of expediting applications for such adjustment assistance, and

(2) the fees paid or to be paid to any such person.

(d) No financial assistance shall be provided to any firm under section 314 unless the owners, partners, or officers shall execute an agreement binding them and the firm for a period of 2 years after such financial assistance is provided, to refrain from employing, tendering any office or employment to, or retaining for professional services any person who, on the date such assistance or any part thereof was provided, or within one year prior thereto, shall have served as an officer, attorney, agent, or employee occupying a position or engaging in activities which the Secretary of Commerce shall have determined involve discretion with respect to the provision of such financial assistance.

SEC. 319. PENALTIES.

Whoever makes a false statement of a material fact knowing it to be false, or knowingly fails to disclose a material fact, or whoever willfully overvalues any security, for the purpose of influencing in any way the action of the Secretary of Commerce under this chapter, or for the purpose of obtaining money, property, or anything of value under this chapter, shall be fined not more than $5,000 or imprisoned for not more than two years, or both.

SEC. 320. SUITS.

In providing technical and financial assistance under sections 313 and 314, the Secretary of Commerce may sue and be sued in any court of record of a State having general

jurisdiction or in any United States district court, and jurisdiction is conferred upon such district court to determine such controversies without regard to the amount in controversy; but no attachment, injunction, garnishment, or other similar process, mesne or final, shall be issued against him or his property. Nothing in this section shall be construed to except the activities pursuant to sections 313 and 314 from the application of sections 507 (b) and 2679 of title 28 of the United States Code, and of section 367 of the Revised Statutes (5 U.S.C., sec. 316).

CHAPTER 3—ASSISTANCE TO WORKERS

SEC. 321. AUTHORITY.

The Secretary of Labor shall determine whether applicants are entitled to receive assistance under this chapter and shall pay or provide such assistance to applicants who are so entitled.

Subchapter A—Trade Readjustment Allowances

SEC. 322. QUALIFYING REQUIREMENTS.

(a) Payment of a trade readjustment allowance shall be made to an adversely affected worker who applies for such allowance for any week of unemployment which begins after the 30th day after the date of the enactment of this Act and after the date determined under section 302 (d), subject to the requirements of subsections (b) and (c).

(b) Total or partial separation shall have occurred—

(1) after the date of the enactment of this Act, and after the date determined under section 302(d), and

(2) before the expiration of the 2-year period beginning on the day on which the most recent determination under section 302(d) was made, and before the termination date (if any) specified under section 302(e).

(c) Such worker shall have had—

(1) in the 156 weeks immediately preceding such total or partial separation, at least 78 weeks of employment at wages of $15 or more a week, and

(2) in the 52 weeks immediately preceding such total or partial separation, at least 26 weeks of employment at wages of $15 or more a week in a firm or firms with respect to which a determination of unemployment or underemployment under section 302 has been made, or

if data with respect to weeks of employment are not available, equivalent amounts of employment computed under regulations prescribed by the Secretary of Labor.

SEC. 323. WEEKLY AMOUNTS.

(a) Subject to the other provisions of this section, the trade readjustment allowance payable to an adversely affected worker for a week of unemployment shall be an

amount equal to 65 percent of his average weekly wage or to 65 percent of the average weekly manufacturing wage, whichever is less, reduced by 50 percent of the amount of his remuneration for services performed during such week.

(b) Any adversely affected worker who is entitled to trade readjustment allowances and who is undergoing training approved by the Secretary of Labor, including on-the-job training, shall receive for each week in which he is undergoing any such training, a trade readjustment allowance in an amount (computed for such week) equal to the amount computed under subsection (a) or (if greater) the amount of any weekly allowance for such training to which he would be entitled under any other Federal law for the training of workers, if he applied for such allowance. Such trade readjustment allowance shall be paid in lieu of any training allowance to which the worker would be entitled under such other Federal law.

(c) (1) The amount payable to an adversely affected worker under subsection (a) for any week shall be reduced by any amount of unemployment insurance to which he is entitled with respect to such week (or would be entitled but for this chapter or any action taken by such worker under this chapter), whether or not he has filed a claim for such insurance.

(2) The amount payable to an adversely affected worker

under subsection (b) for any week shall be reduced by any amount of unemployment insurance which he has received or is seeking with respect to such week; but, if the appropriate State or Federal agency finally determines that the worker was not entitled to unemployment insurance with respect to such week, the reduction shall not apply with respect to such week.

(d) If unemployment insurance, or a training allowance under the Manpower Development and Training Act of 1962 or the Area Redevelopment Act, is payable to an adversely affected worker for any week of unemployment with respect to which he would be entitled (determined without regard to subsection (c) or (e) or to any disqualification under section 327) to a trade readjustment allowance if he applied for such allowance, each such week shall be deducted from the total number of weeks of trade readjustment allowance otherwise payable to him under section 324(a) when he applies for a trade readjustment allowance and is determined to be entitled to such allowance. If the unemployment insurance or the training allowance payable to such worker for any week of unemployment is less than the amount of the trade readjustment allowance to which he would be entitled if he applied for such allowance, he shall receive, when he applies for a trade readjustment allowance and is determined to be

entitled to such allowance, a trade readjustment allowance for such week equal to such difference.

(e) Whenever, with respect to any week of unemployment, the total amount payable to an adversely affected worker as remuneration for services performed during such week, as unemployment insurance, as a training allowance referred to in subsection (d), and as a trade readjustment allowance would exceed 75 percent of his average weekly wage, his trade readjustment allowance for such week shall be reduced by the amount of such excess.

(f) The amount of any weekly payment to be made under this section which is not a whole dollar amount shall be rounded upward to the next higher whole dollar amount.

(g) If unemployment insurance is paid under a State law to an adversely affected worker for a week during which he is undergoing training approved by the Secretary of Labor, the State agency making such payment shall be reimbursed from funds appropriated pursuant to section 337, to the extent that such payment does not exceed the trade readjustment allowance which such worker would have received if he had applied for such allowance and had not received the State payment. The amount of such reimbursement shall be determined by the Secretary of Labor on the basis of reports furnished to him by the State agency

and such amount shall then be placed in the Unemployment Trust Fund to the credit of the State's account.

SEC. 324. TIME LIMITATIONS ON TRADE READJUSTMENT ALLOWANCES.

(a) Payment of trade readjustment allowances shall not be made to an adversely affected worker for more than 52 weeks, except that, in accordance with regulations prescribed by the Secretary of Labor—

(1) such payments may be made for not more than 26 additional weeks to an adversely affected worker to assist him to complete training approved by the Secretary of Labor, or

(2) such payments shall be made for not more than 13 additional weeks to an adversely affected worker who had reached his 60th birthday on or before the date of total or partial separation.

(b) Except for a payment made for an additional week specified in subsection (a), a trade readjustment allowance shall not be paid for a week of unemployment beginning more than 2 years after the beginning of the appropriate week. A trade readjustment allowance shall not be paid for any additional week specified in subsection (a) if such week begins more than 3 years after the beginning of the appropriate week . The appropriate week for a totally

separated worker is the week of his most recent total separation. The appropriate week for a partially separated worker is the week in respect of which he first receives a trade readjustment allowance following his most recent partial separation.

SEC. 325. APPLICATION OF STATE LAWS.

Except where inconsistent with the provisions of this chapter and subject to such regulations as the Secretary of Labor may prescribe, the availability and disqualification provisions of the State law—

(1) under which an adversely affected worker is entitled to unemployment insurance (whether or not he has filed a claim for such insurance), or

(2) if he is not so entitled to unemployment insurance, of the State in which he was totally or partially separated,

shall apply to any such worker who files a claim for trade readjustment allowances. The State law so determined with respect to a separation of a worker shall remain applicable, for purposes of the preceding sentence, with respect to such separation until such worker becomes entitled to unemployment insurance under another State law (whether or not he has filed a claim for such insurance).

Subchapter B—Training

SEC. 326. IN GENERAL.

(a) To assure that the readjustment of adversely affected workers shall occur as quickly and effectively as possible, with minimum reliance upon trade readjustment allowances under this chapter, every effort shall be made to prepare each such worker for full employment in accordance with his capabilities and prospective employment opportunities. To this end, and subject to this chapter, adversely affected workers shall be afforded, where appropriate, the testing, counseling, training, and placement services provided for under any Federal law. Such workers may also be afforded supplemental assistance necessary to defray transportation and subsistence expenses for separate maintenance when such training is provided in facilities which are not within commuting distance of their regular place of residence. The Secretary of Labor in defraying such subsistence expenses shall not afford any individual an allowance exceeding $5 a day; nor shall the Secretary authorize any transportation expense exceeding the rate of 10 cents per mile.

(b) To the extent practicable, before adversely affected workers are referred to training, the Secretary of Labor shall consult with such workers' firm and their certified or recognized union or other duly authorized representative and develop a worker retraining plan which provides for training

such workers to meet the manpower needs of such firm, in order to preserve or restore the employment relationship between the workers and the firm.

SEC. 327. DISQUALIFICATION FOR REFUSAL OF TRAINING, ETC.

Any adversely affected worker who, without good cause, refuses to accept or continue, or fails to make satisfactory progress in, suitable training to which he has been referred by the Secretary of Labor shall not thereafter be entitled to trade readjustment allowances until he enters or resumes training to which he has been so referred.

Subchapter C—Relocation Allowances

SEC. 328. RELOCATION ALLOWANCES AFFORDED.

Any adversely affected worker who is the head of a family as defined in regulations prescribed by the Secretary of Labor and who has been totally separated may file an application for a relocation allowance, subject to the terms and conditions of this subchapter.

SEC. 329. QUALIFYING REQUIREMENTS.

(a) A relocation allowance may be granted only to assist an adversely affected worker in relocating within the United States and only if the Secretary of Labor determines that such worker cannot reasonably be expected to secure suitable employment in the commuting area in which he resides and that such worker—

(1) has obtained suitable employment affording a reasonable expectation of long-term duration in the area in which he wishes to relocate, or

(2) has obtained a bona fide offer of such employment.

(b) A relocation allowance shall not be granted to such worker unless—

(1) for the week in which the application for such allowance is filed, he is entitled (determined without regard to section 323 (c) and (e)) to a trade readjustment allowance or would be so entitled (determined without regard to whether he filed application therefor) but for the fact that he has obtained the employment referred to in subsection (a) (1), and

(2) such relocation occurs within a reasonable period after the filing of such application or (in the case of a worker who has been referred to training by the Secretary of Labor) within a reasonable period after the conclusion of such training.

SEC. 330. RELOCATION ALLOWANCE DEFINED.

For purposes of this subchapter, the term "relocation allowance" means—

(1) the reasonable and necessary expenses, as

specified in regulations prescribed by the Secretary of Labor, incurred in transporting a worker and his family and their household effects, and

(2) a lump sum equivalent to two and one-half times the average weekly manufacturing wage.

Subchapter D—General Provisions

SEC. 331. AGREEMENTS WITH STATES.

(a) The Secretary of Labor is authorized on behalf of the United States to enter into an agreement with any State, or with any State agency. Under such an agreement, the State agency (1) as agent of the United States, will receive applications for, and will provide, assistance on the basis provided in this chapter, (2) where appropriate, will afford adversely affected workers who apply for assistance under this chapter testing, counseling, referral to training, and placement services, and (3) will otherwise cooperate with the Secretary of Labor and with other State and Federal agencies in providing assistance under this chapter.

(b) Each agreement under this subchapter shall provide the terms and conditions upon which the agreement may be amended, suspended, or terminated.

(c) Each agreement under this subchapter shall provide that unemployment insurance otherwise payable to any

adversely affected worker will not be denied or reduced for any week by reason of any right to allowances under this chapter.

SEC. 332. PAYMENTS TO STATES.

(a) The Secretary of Labor shall from time to time certify to the Secretary of the Treasury for payment to each State which has entered into an agreement under section 331 the sums necessary to enable such State as agent of the United States to make payments of allowances provided for by this chapter. The Secretary of the Treasury, prior to audit or settlement by the General Accounting Office, shall make payment to the State in accordance with such certification, from the funds for carrying out the purposes of this chapter.

(b) All money paid a State under this section shall be used solely for the purposes for which it is paid; and any money so paid which is not used for such purposes shall be returned, at the time specified in the agreement under this subchapter, to the Treasury and credited to current applicable appropriations, funds, or accounts from which payments to States under this section may be made.

(c) Any agreement under this subchapter may require any officer or employee of the State certifying payments or disbursing funds under the agreement, or otherwise participating in the performance of the agreement, to give a surety

bond to the United States in such amount as the Secretary of Labor may deem necessary, and may provide for the payment of the cost of such bond from funds for carrying out the purposes of this chapter.

SEC. 333. LIABILITIES OF CERTIFYING AND DISBURSING OFFICERS.

(a) No person designated by the Secretary of Labor, or designated pursuant to an agreement under this subchapter, as a certifying officer, shall, in the absence of gross negligence or intent to defraud the United States, be liable with respect to the payment of any allowance certified by him under this chapter.

(b) No disbursing officer shall, in the absence of gross negligence or intent to defraud the United States, be liable with respect to any payment by him under this chapter if it was based upon a voucher signed by a certifying officer designated as provided in subsection (a).

SEC. 334. RECOVERY OF OVERPAYMENTS.

(a) If a State agency or the Secretary of Labor, or a court of competent jurisdiction finds that any person—

(1) has made, or has caused to be made by another, a false statement or representation of a material fact knowing it to be false, or has knowingly failed or caused another to fail to disclose a material fact; and

(2) as a result of such action has received any pay-

ment of allowances under this chapter to which he was not entitled,

such person shall be liable to repay such amount to the State agency or the Secretary of Labor, as the case may be, or either may recover such amount by deductions from any allowance payable to such person under this chapter. Any such finding by a State agency or the Secretary of Labor may be made only after an opportunity for a fair hearing.

(b) Any amount repaid to a State agency under this section shall be deposited into the fund from which payment was made. Any amount repaid to the Secretary of Labor under this section shall be returned to the Treasury and credited to the current applicable appropriation, fund, or account from which payment was made.

SEC. 335. PENALTIES.

Whoever makes a false statement of a material fact knowing it to be false, or knowingly fails to disclose a material fact, for the purpose of obtaining or increasing for himself or for any other person any payment or assistance authorized to be furnished under this chapter or pursuant to an agreement under section 331 shall be fined not more than $1,000 or imprisoned for not more than one year, or both.

SEC. 336. REVIEW.

Except as may be provided in regulations prescribed by the Secretary of Labor to carry out his functions under this

chapter, determinations under this chapter as to the entitlement of individuals for adjustment assistance shall be final and conclusive for all purposes and not subject to review by any court or any other officer. To the maximum extent practicable and consistent with the purposes of this chapter, such regulations shall provide that such determinations by a State agency will be subject to review in the same manner and to the same extent as determinations under the State law.

SEC. 337. AUTHORIZATION OF APPROPRIATIONS.

There are hereby authorized to be appropriated to the Secretary of Labor such sums as may be necessary from time to time to carry out his functions under this chapter in connection with furnishing adjustment assistance to workers, which sums are authorized to be appropriated to remain available until expended.

SEC. 338. DEFINITIONS.

For purposes of this chapter—

(1) The term "adversely affected employment" means employment in a firm or appropriate subdivision of a firm, if workers of such firm or subdivision are eligible to apply for adjustment assistance under this chapter.

(2) The term "adversely affected worker" means an individual who, because of lack of work in an adversely affected employment—

(A) has been totally or partially separated from such employment, or

(B) has been totally separated from employment with the firm in a subdivision of which such adversely affected employment exists.

(3) The term "average weekly manufacturing wage" means the national gross average weekly earnings of production workers in manufacturing industries for the latest calendar year (as officially published annually by the Bureau of Labor Statistics of the Department of Labor) most recently published before the period for which the assistance under this chapter is furnished.

(4) The term "average weekly wage" means one-13th of the total wages paid to an individual in the high quarter. For purposes of this computation, the high quarter shall be that quarter in which the individual's total wages were highest among the first 4 of the last 5 completed calendar quarters immediately before the quarter in which occurs the week with respect to which the computation is made. Such week shall be the week in which total separation occurred, or, in cases where partial separation is claimed, an appropriate week, as defined in regulations prescribed by the Secretary of Labor.

(5) The term "average weekly hours" means the average hours worked by the individual (excluding overtime) in the employment from which he has been or claims to have been separated in the 52 weeks (excluding weeks during which the individual was sick or on vacation) preceding the week specified in the last sentence of paragraph (4).

(6) The term "partial separation" means, with respect to an individual who has not been totally separated, that he has had his hours of work reduced to 80 percent or less of his average weekly hours in adversely affected employment and his wages reduced to 75 percent or less of his average weekly wage in such adversely affected employment.

(7) The term "remuneration" means wages and net earnings derived from services performed as a self-employed individual.

(8) The term "State" includes the District of Columbia and the Commonwealth of Puerto Rico; and the term "United States" when used in the geographical sense includes such Commonwealth.

(9) The term "State agency" means the agency of the State which administers the State law.

(10) The term "State law" means the unemploy-

ment insurance law of the State approved by the Secretary of Labor under section 3304 of the Internal Revenue Code of 1954.

(11) The term "total separation" means the layoff or severance of an individual from employment with a firm in which, or in a subdivision of which, adversely affected employment exists.

(12) The term "unemployment insurance" means the unemployment insurance payable to an individual under any State law or Federal unemployment insurance law, including title XV of the Social Security Act, the Railroad Unemployment Insurance Act, and the Temporary Extended Unemployment Compensation Act of 1961.

(13) The term "week" means a week as defined in the applicable State law.

(14) The term "week of unemployment" means with respect to an individual any week for which his remuneration for services performed during such week is less than 75 percent of his average weekly wage and in which, because of lack of work—

(A) if he has been totally separated, he worked less than the full-time week (excluding overtime) in his current occupation, or

(B) if he has been partially separated, he

worked 80 percent or less of his average weekly hours.

CHAPTER 4—TARIFF ADJUSTMENT

SEC. 351. AUTHORITY.

(a) (1) After receiving an affirmative finding of the Tariff Commission under section 301 (b) with respect to an industry, the President may proclaim such increase in, or imposition of, any duty or other import restriction on the article causing or threatening to cause serious injury to such industry as he determines to be necessary to prevent or remedy serious injury to such industry.

(2) If the President does not, within 60 days after the date on which he receives such affirmative finding, proclaim the increase in, or imposition of, any duty or other import restriction on such article found and reported by the Tariff Commission pursuant to section 301 (e)—

(A) he shall immediately submit a report to the House of Representatives and to the Senate stating why he has not proclaimed such increase or imposition, and

(B) such increase or imposition shall take effect (as provided in paragraph (3)) upon the adoption by both Houses of the Congress (within the 60-day period following the date on which the report referred to in subparagraph (A) is submitted to the House of Representatives and the Senate), by the yeas and nays

by the affirmative vote of a majority of the authorized membership of each House, of a concurrent resolution stating in effect that the Senate and House of Representatives approve the increase in, or imposition of, any duty or other import restriction on the article found and reported by the Tariff Commission.

For purposes of subparagraph (B), in the computation of the 60-day period there shall be excluded the days on which either House is not in session because of adjournment of more than 3 days to a day certain or an adjournment of the Congress sine die. The report referred to in subparagraph (A) shall be delivered to both Houses of the Congress on the same day and shall be delivered to the Clerk of the House of Representatives if the House of Representatives is not in session and to the Secretary of the Senate if the Senate is not in session.

(3) In any case in which the contingency set forth in paragraph (2) (B) occurs, the President shall (within 15 days after the adoption of such resolution) proclaim the increase in, or imposition of, any duty or other import restriction on the article which was found and reported by the Tariff Commission pursuant to section 301(e).

(4) The President may, within 60 days after the date on which he receives an affirmative finding of the Tariff Commission under section 301(b) with respect to an in-

dustry, request additional information from the Tariff Commission. The Tariff Commission shall, as soon as practicable but in no event more than 120 days after the date on which it receives the President's request, furnish additional information with respect to such industry in a supplemental report. For purposes of paragraph (2), the date on which the President receives such supplemental report shall be treated as the date on which the President received the affirmative finding of the Tariff Commission with respect to such industry.

(b) No proclamation pursuant to subsection (a) shall be made—

(1) increasing any rate of duty to a rate more than 50 percent above the rate existing on July 1, 1934, or

(2) in the case of an article not subject to duty, imposing a duty in excess of 50 percent ad valorem.

For purposes of paragraph (1), the term "existing on July 1, 1934" has the meaning assigned to such term by paragraph (5) of section 256.

(c) (1) Any increase in, or imposition of, any duty or other import restriction proclaimed pursuant to this section or section 7 of the Trade Agreements Extension Act of 1951—

(A) may be reduced or terminated by the Presi-

dent when he determines, after taking into account the advice received from the Tariff Commission under subsection (d) (2) and after seeking advice of the Secretary of Commerce and the Secretary of Labor, that such reduction or termination is in the national interest, and

(B) unless extended under paragraph (2), shall terminate not later than the close of the date which is 4 years after the effective date of the initial proclamation or the date of the enactment of this Act, whichever date is the later.

(2) Any increase in, or imposition of, any duty or other import restriction proclaimed pursuant to this section or pursuant to section 7 of the Trade Agreements Extension Act of 1951 may be extended in whole or in part by the President for such periods (not in excess of 4 years at any one time) as he may designate if he determines, after taking into account the advice received from the Tariff Commission under subsection (d) (3) and after seeking advice of the Secretary of Commerce and the Secretary of Labor, that such extension is in the national interest.

(d) (1) So long as any increase in, or imposition of, any duty or other import restriction pursuant to this section or pursuant to section 7 of the Trade Agreements Extension Act of 1951 remains in effect the Tariff Commission shall

keep under review developments with respect to the industry concerned, and shall make periodic reports to the President concerning such developments.

(2) Upon request of the President, the Tariff Commission shall advise the President of its judgment as to the probable economic effect on the industry concerned of the reduction or termination of the increase in, or imposition of, any duty or other import restriction pursuant to this section or section 7 of the Trade Agreements Extension Act of 1951.

(3) Upon petition on behalf of the industry concerned, filed with the Tariff Commission not earlier than the date which is 9 months, and not later than the date which is 6 months, before the date any increase or imposition referred to in paragraph (1) or (2) of subsection (c) is to terminate by reason of the expiration of the 4-year period prescribed in paragraph (1) or an extension thereof under paragraph (2), the Tariff Commission shall advise the President of its judgment as to the probable economic effect on such industry of such termination.

(4) In advising the President under this subsection as to the probable economic effect on the industry concerned, the Tariff Commission shall take into account all economic factors which it considers relevant, including idling of productive facilities, inability to operate at a profit, and unemployment or underemployment.

(5) Advice by the Tariff Commission under this subsection shall be given on the basis of an investigation during the course of which the Tariff Commission shall hold a hearing at which interested persons shall be given a reasonable opportunity to be present, to produce evidence, and to be heard.

(e) The President, as soon as practicable, shall take such action as he determines to be necessary to bring trade agreements entered into under section 350 of the Tariff Act of 1930 into conformity with the provisions of this section. No trade agreement shall be entered into under section 201 (a) unless such agreement permits action in conformity with the provisions of this section.

CHAPTER 5—ADVISORY BOARD

SEC. 361. ADJUSTMENT ASSISTANCE ADVISORY BOARD.

(a) There is hereby created the Adjustment Assistance Advisory Board, which shall consist of the Secretary of Commerce, as Chairman, and the Secretaries of the Treasury, Agriculture, Labor, Interior, and Health, Education, and Welfare, the Administrator of the Small Business Administration, and such other officers as the President deems appropriate. Each member of the Board may designate an officer of his agency to act for him as a member of the Board. The Chairman may from time to time invite the participation of officers of other agencies of the executive branch.

(b) At the request of the President, the Board shall advise him and the agencies furnishing adjustment assistance pursuant to chapters 2 and 3 on the development of coordinated programs for such assistance, giving full consideration to ways of preserving and restoring the employment relationship of firms and workers where possible, consistent with sound economic adjustment.

(c) The Chairman may appoint for any industry an industry committee composed of members representing employers, workers, and the public, for the purpose of advising the Board. Members of any such committee shall, while attending meetings, be entitled to receive compensation and reimbursement as provided in section 401(3). The provisions of section 1003 of the National Defense Education Act of 1958 (20 U.S.C. 582) shall apply to members of such committee.

TITLE IV—GENERAL PROVISIONS

SEC. 401. AUTHORITIES.

The head of any agency performing functions under this Act may—

(1) authorize the head of any other agency to perform any of such functions;

(2) prescribe such rules and regulations as may be necessary to perform such functions; and

(3) to the extent necessary to perform such func-

tions, procure the temporary (not in excess of one year) or intermittent services of experts or consultants or organizations thereof, including stenographic reporting services, by contract or appointment, and in such cases such services shall be without regard to the civil service and classification laws, and, except in the case of stenographic reporting services by organizations, without regard to section 3709 of the Revised Statutes (41 U.S.C. 5). Any individual so employed may be compensated at a rate not in excess of $75 per diem, and, while such individual is away from his home or regular place of business, he may be allowed transportation and not to exceed $16 per diem in lieu of subsistence and other expenses.

SEC. 402. REPORTS.

(a) The President shall submit to the Congress an annual report on the trade agreements program and on tariff adjustment and other adjustment assistance under this Act. Such report shall include information regarding new negotiations, changes made in duties and other import restrictions of the United States, reciprocal concessions obtained, changes in trade agreements in order to effectuate more fully the purposes of the trade agreements program (including the incorporation therein of escape clauses), the results of action taken to obtain removal of foreign trade restrictions (includ-

ing discriminatory restrictions) against United States exports, remaining restrictions, and the measures available to seek their removal in accordance with the purposes of this Act, and other information relating to the trade agreements program and to the agreements entered into thereunder.

(b) The Tariff Commission shall submit to the Congress, at least once a year, a factual report on the operation of the trade agreements program.

SEC. 403. TARIFF COMMISSION.

(a) In order to expedite the performance of its functions under this Act, the Tariff Commission may conduct preliminary investigations, determine the scope and manner of its proceedings, and consolidate proceedings before it.

(b) In performing its functions under this Act, the Tariff Commission may exercise any authority granted to it under any other Act.

(c) The Tariff Commission shall at all times keep informed concerning the operation and effect of provisions relating to duties or other import restrictions of the United States contained in trade agreements entered into under the trade agreements program.

SEC. 404. SEPARABILITY.

If any provision of this Act or the application of any provision to any circumstances or persons shall be held invalid, the validity of the remainder of this Act, and of the

application of such provision to other circumstances or persons, shall not be affected thereby.

SEC. 405. DEFINITIONS.

For purposes of this Act—

(1) The term "agency" includes any agency, department, board, wholly or partly owned corporation, instrumentality, commission, or establishment of the United States.

(2) The term "duty or other import restriction" includes (A) the rate and form of an import duty, and (B) a limitation, prohibition, charge, and exaction other than duty, imposed on importation or imposed for the regulation of imports.

(3) The term "firm" includes an individual proprietorship, partnership, joint venture, association, corporation (including a development corporation), business trust, cooperative, trustees in bankruptcy, and receivers under decree of any court. A firm, together with any predecessor, successor, or affiliated firm controlled or substantially beneficially owned by substantially the same persons, may be considered a single firm where necessary to prevent unjustifiable benefits.

(4) An imported article is "directly competitive with" a domestic article at an earlier or later stage of processing, and a domestic article is "directly competi-

tive with" an imported article at an earlier or later stage of processing, if the importation of the imported article has an economic effect on producers of the domestic article comparable to the effect of importation of articles in the same stage of processing as the domestic article. For purposes of this paragraph, the unprocessed article is at an earlier stage of processing.

(5) A product of a country is an article which is the growth, produce, or manufacture of such country.

(6) The term "modification", as applied to any duty or other import restriction, includes the elimination of any duty.

Passed the House of Representatives June 28, 1962.

Attest: RALPH R. ROBERTS,

Clerk.

87TH CONGRESS
2D SESSION

H. R. 11970

AN ACT

To promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes.

JUNE 29, 1962

Read twice and referred to the Committee on Finance

July 19, 1962

SENATE

11. FOREIGN AID. Began debate on the conference report on S. 2996, the foreign aid authorization bill, rejecting a motion by Sen. Morse to postpone consideration of the conference report until Aug. 1, and a motion by Sen. Lausch to recommit the conference report to committee. Agreed to vote on adoption of the conference report today, July 20. pp. 13121-145, 13148-52, 13156, 13161-2, 13164, 13169-73

12. MONOPOLIES; DRUGS. Reported with amendment S. 1552, to amend and supplement the antitrust laws with respect to the manufacture and distribution of drugs (S. Rept. 1744). p. 13112

13. RECLAMATION. Reported with amendments S. 284, to authorize the construction, operation, and maintenance by the Secretary of the Interior of the Fryingpan-Arkansas project, Colo. (S. Rept. 1742). p. 13112

14. PUBLIC ASSISTANCE; SOCIAL SECURITY. Received and agreed to the conference report on H. R. 10606, to extend and improve the public assistance and child welfare services programs of the Social Security Act (pp. 13166-8). This bill will now be sent to the President.

15. LANDS; MINERALS. The Interior and Insular Affairs Subcommittee on Public Lands approved for full committee consideration H. R. 10566, amended, to provide for the withdrawal of mineral interests in 425,000 acres of public lands in Pima County, Ariz. p. D608

16. FARM LABOR. Sen. Smith, Mass., urged immediate action on legislation to improve migratory farmworker problems and inserted an article, "Dusty Road for the Migrant." p. 13120

17. CONSUMERS. Sen. Javits commended the President's appointment of a Consumers' Advisory Council and inserted two articles on this subject. pp. 13152-3

18. FOREIGN TRADE. Sen. Engle discussed his proposed amendment to the foreign trade bill which would maintain present tariff rates on certain fruit and tree nut crops and products. p. 13114

19. NOMINATION. The "Daily Digest" states that the Finance Committee ordered favorably reported the nomination of Anthony J. Celebrezze to be Secretary of HEW. p. D608

ITEMS IN APPENDIX

20. WILDLIFE. Extension of remarks of Sen. Yarborough inserting an article commending Judge Marvin Jones for his ruling to protect wild geese. p. A5539

21. FOREST PRODUCTS. Extension of remarks of Sen. Neuberger supporting S. 3105, to alter the jurisdiction of the Jones Act, and inserting two articles describing depression of the lumber industry. pp. A5549-50

22. BUDGET. Extensions of remarks of Reps. Derounian and Griffiths inserting articles which stress the dangers of excessive government spending. pp. A5555, A5557

23. IRRIGATION. Extension of remarks of Rep. Quie inserting an editorial criticizing Congress for approving both irrigation and production reduction projects. p. A5557

24. PERSONNEL. Extension of remarks of Rep. Multer inserting his remarks supporti H. R. 1056, to provide increased annuities for Federal employees. p. A5561

25. OPINION POLL. Extension of remarks of Rep. Ryan inserting an opinion poll on national economic questions. p. A5562

26. ELECTRIFICATION. Extension of remarks of Rep. Hosmer inserting an article opposing regional power preference bills. pp. A5562-3

BILLS INTRODUCED

27. TAXATION; FARM MACHINERY. H. R. 12611 by Rep. Blatnik, to amend the Internal Revenue Code of 1954 to provide an exemption from the highway use tax in the case of certain trucks and other vehicles which are used primarily for hauling unprocessed farm and forest products from their place of production to market or mill; to Ways and Means Committee.

H. R. 12612, by Rep. Blatnik, to provide for the abatement of certain penal ties and interest otherwise payable with respect to the highway use tax in the case of certain motor vehicles used primarily for hauling unprocessed farm and forest products from their place of production to market or mill; to Ways and Means Committee.

28. CLAIMS. H. R. 12625, by Rep. King, Utah, to amend the tort claims procedure o title 28, United States Code, so as to afford a remedy in cases in which agencies of the United States issue public statements which libel or slander persons or misrepresent subject matter involved in investigations or proceedings conducted by such agencies; to Judiciary Committee

29. HOUSING. H. R. 12628, by Rep. Rains, to provide additional funds under sectio 202(a)(4) of the Housing Act of 1959, and to amend title V of the Housing Act of 1949, in order to provide low and moderate cost housing both urban and rur for the elderly; to Banking and Currency Committee.

BILLS APPROVED BY THE PRESIDENT

30. PUBLIC WORKS. S. J. Res. 68, providing for the designation of the week beginning October 14, 1962, as "National Public Works Week." Approved July 18, 19 (Public Law 87-536).

31. HONEYBEES; SUGAR. H. R. 8050, to regulate the importation of adult honeybees and provide for additional sugar allocations (see Digest No. 113). Approved July 19, 1962 (Public Law 87-539).

32. WHEAT REFERENDUM. H. J. Res. 809, to extend until Aug. 31 the time for conduc ing the referendum with respect to the national marketing quota for wheat for the marketing year beginning July 1, 1963. Approved July 19, 1962 (Public L 87-540).

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COMMITTEE HEARINGS JULY 20:
Agricultural appropriation bill, H. Appropriations (exec).
Second supplemental appropriations, conferees (exec).
Estes investigation, S. Gov't Operations.
Federal pay bills, S. Post Office and Civil Service.

oOo

serve commissioned officers of the Army. I ask that these names be placed on the Executive Calendar.

The PRESIDENT pro tempore. The nominations will be placed on the Executive Calendar, as requested by the Senator from Missouri.

The nominations are as follows:

Chaplain (Col.) Charles Edwin Brown, Jr., U.S. Army, for appointment as Chief of Chaplains, U.S. Army, as major general in the Regular Army of the United States, and as major general in the Army of the United States;

Lt. Gen. David William Traub, Army of the United States (major general, U.S. Army), to be placed on the retired list;

Maj. Gen. Charles Breckinridge Duff, U.S. Army, to be assigned to a position of importance and responsibility designated by the President, in the rank of lieutenant general;

Gen. Clark Louis Ruffner, Army of the United States (major general, U.S. Army), to be placed on the retired list, in the grade of general;

Lt. Gen. William Peirce Ennis, Jr., Army of the United States (major general, U.S. Army), to be placed on the retired list, in the grade of lieutenant general; and

Brig. Gen. Frederick Henry Garber, and sundry other officers, for promotion as Reserve commissioned officers of the Army.

By Mr. BYRD of Virginia, from the Committee on Finance:

Anthony J. Celebrezze, of Ohio, to be Secretary of Health, Education, and Welfare.

BILL INTRODUCED

A bill was introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CAPEHART:

S. 3561. A bill for the relief of Alban H. Lalonde; to the Committee on the Judiciary.

CONCURRENT RESOLUTION

DISTRIBUTION OF FILM DEPICTING VISIT BY WIFE OF THE PRESIDENT TO INDIA AND PAKISTAN

Mr. GORE. Mr. President, last evening, as a guest of the Women's National Press Club, it was my privilege to see a moving picture film of the recent visit by the wife of the President of the United States to the friendly countries of India and Pakistan. The films were prepared at public expense by the U.S. Information Agency for showing to the people of India and of Pakistan.

In my opinion, this is an exceptionally fine production. The photography is excellent. Some of the scenes—particularly a scene of the Taj Mahal through the mist from the river—are truly breathtaking in beauty. Many of the historical and cultural shrines of the East are shown, as are colorful pageantries of these age-old cultures. True, the film shows the people of India in gala mood and attire, but also one finds scenes in the marketplace and in the hospitals with which each American visitor to India and Pakistan has come face to face. It has been my privilege to visit these countries and these friendly peoples, and I can attest to the accuracy of the scenes with respect to the beautiful shrines, colorful costumes, pageantry, and way of life of the people.

This film has been so successful that it is now in demand for showing in many other parts of the world. I do not believe that the American people should be denied the opportunity of seeing this film, which is truly cultural, educational, informative, and beautiful; particularly so since they have paid for it.

Nevertheless, it is my understanding that officials of the U.S. Information Agency, under present policy and directives, question their authorization for making this film available generally for the American people to see.

I fully agree, Mr. President, that the primary mission of the U.S. Information Agency is, and ought to be, that of informing the people of other countries of policies and programs of the United States which reflect democracy in action as we know and love it under our concept of individual freedom. At the same time the people of the United States have a right to full knowledge of activities of agencies of their Government.

I am confident that by viewing this film the American people would enjoy a visit to these ancient countries of the Far East. And I am equally confident that they would take great pride in the gracious manner in which our First Lady reflected the friendship and good will of our people for those of the nations she visited.

In order to express the will of the Congress that the American people should not be denied seeing a film which the people of many other nations of the world desire to see, I submit, for myself and other Senators, a concurrent resolution expressing the sense of the Congress that appropriate arrangements should be made for the distribution of this film for general viewing within the United States.

The PRESIDENT pro tempore. The concurrent resolution will be received and appropriately referred.

The concurrent resolution (S. Con. Res. 84) was referred to the Committee on Foreign Relations, as follows:

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that the people of the United States should not be denied an opportunity to view the film prepared by the United States Information Agency depicting the recent visit of the wife of the President of the United States to India and Pakistan; and be it further

Resolved, That it is the sense of the Congress that the United States Information Agency should make appropriate arrangements to make the film described above available for distribution through educational and commercial media for viewing within the United States.

Mr. RANDOLPH. Mr. President, I commend the distinguished Senator from Tennessee on the introduction of the resolution. I am privileged to be a cosponsor of this timely proposal. With other Senators, including the Senator from Tennessee, it was also my unusual pleasure, with Mrs. Randolph, to view the films which have been mentioned. The countries are depicted with breathtaking beauty and with a human approach.

Technically and creatively the films are a superlative product. The color rendition is near-perfect, the photography, particularly considering the conditions under which it was shot, is truly first class. Raymond Massey's narration is quiet and mellow, and the original native music score completes this unusual production.

The contain the elements which I think need to be viewed and sensed by our people generally. Restricted use of these motion pictures will deny to hundreds of thousands of citizens a portrayal of beauty and challenge. The more quickly and the more widely the films can be viewed and heard, the better will be the understanding, the appreciation and the respect between peoples in far away places with strange-sounding names, and the citizenry of our own Nation.

Our gracious First Lady, Mrs. Kennedy, moves gracefully in and through the films, and her voice with its clear enunciation, and her warmth of friendship is felt as she talks to the children, the mothers and the officials and the countrymen of these teeming lands of contrast.

Mr. GORE. Mr. President, I appreciate the generous remarks of the distinguished senior Senator from West Virginia. As I said, the films were made for showing to the people of the countries to which our charming First Lady made a visit. I am sure the Senator will feel that just as the people of those countries have responded graciously and generously to the film, our own people would likewise respond in the best of manner.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. MORSE. I am proud to be associated with the Senator from Tennessee as a cosponsor of the concurrent resolution. I had the privilege of sharing a delightful evening with him last night at the National Women's Press Club, at which time we saw the film on India and the film on Pakistan.

I said to a group afterward that I would that the film could be shown in every grade school, high school, and college in America. It is a completely nonpartisan film. In order to remove any question about its nonpartisan character, I would be perfectly willing to have a short introduction of the film made by a charming representative of the Republican Party, so that everyone would know that the film is a completely nonpartisan film.

After all, we are trying to tell the American story. Mrs. Kennedy did a magnificent and superb job as a great ambassador at large for all the people of the United States, irrespective of their partisanship.

I know that all people, irrespective of party, would share that point of view. Mrs. Kennedy has rendered a magnificent service to the American people, and I would that it could be shown in all the class rooms of America.

Mr. GORE. I thank the Senator. I wonder if he would agree with me that, in addition to the photography being excellent, beautiful and picturesque, the scenes of the marketplaces and the hospitals are the kinds of scenes that the

Senator saw when he visited the areas.

Mr. MORSE. The Senator is exactly correct. It is a magnificent film.

Mr. GORE. All Senators who I observed were guests of the affair last evening have indicated their desire to cosponsor the concurrent resolution. I hope that it can be speedily agreed to.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. CLARK. Does the Senator intend to ask that the concurrent resolution lie on the desk for a day or two? I should very much like to become a cosponsor. If not, I shall ask unanimous consent that I may be permitted to be a cosponsor.

Mr. GORE. Mr. President, I ask unanimous consent that the concurrent resolution may lie on the desk until Tuesday for the purpose of affording Senators who desire to cosponsor it an opportunity to do so.

The PRESIDENT pro tempore. Without objection, the concurrent resolution will lie on the table until Tuesday, July 24, 1962.

TRADE EXPANSION ACT OF 1962—AMENDMENT

Mr. ENGLE. Mr. President, on behalf of myself and Senators MORSE, KUCHEL, and TOWER, I submit an amendment, intended to be proposed by us, jointly, to H.R. 11970, the Trade Expansion Act of 1962.

This amendment proposes a new section 203 to H.R. 11970 to provide for exceptions under section 201(a)(2) to apply to certain fruit and tree nut crops and products. The intent is only to maintain present tariffs on these products until an international agreement can be negotiated under the Agricultural Act of 1956.

Section 212 of H.R. 11970 provides for restrictions on the duty reduction authorizations contained in section 201(a) in the case of certain agricultural commodities. It is clear that this section is intended to benefit only those agricultural commodities which have existing export markets, the maintenance or expansion of which would be of significant benefit to the domestic industry. However, section 212 does not take into account domestic agricultural industries which have little or no export market but which must rely entirely upon domestic markets for their continued existence.

Included in this category are walnuts, sweet cherries, citrus fruits, grapes, figs, dates, filberts, and olives. These industries are subject to constant competition from like articles from foreign countries which frequently produce them in surplus quantities. Heretofore some tariff protection has been allowed which has had the effect of controlling excessive inflow of such foreign commodities.

In assessing the probable effect of the proposed Trade Expansion Act of 1962 on U.S. producers of these commodities, the following facts stand out:

First. All of the industries concerned are almost solely dependent on the domestic market for their sales.

Second. Foreign production of these crops and products is far greater than U.S. production, and such commodities are traded in the world market at prices significantly lower than U.S. prices.

Any foreign trade program which does not take into consideration this set of conditions could have a very harmful effect on U.S. producers of these commodities and on agriculture and business in general in the States involved.

I want to make it clear that the agricultural groups here concerned do not disagree with the essential purpose of H.R. 11970 in regard to duty reductions. But they feel it is imperative that any duty reductions on their commodities do not occur hastily nor that they be made without some adequate substitute for control of inflow.

The proposed amendment will afford such protection until the executive branch has had an opportunity to work out international commodity agreements for the commodities, or products thereof, involved in these minimum export industries, under section 204 of the Agricultural Act of 1956 as amended.

In fact, the proposed amendment, by retaining such existing tariffs for the time being, would provide a significant bargaining element in aiding the executive branch in its negotiation of commodity agreements under the aforesaid section 204.

Specifically, the amendment provides that section 201(a)(2) shall not apply to any fruit or tree nut crop or product of which no more than 5 percent of the average annual U.S. production in the most recent 5-year period is exported, and for which the United States accounts for less than 50 percent of the world's supply in the same 5-year period—unless there is in effect a multilateral agreement under section 204 of the Agricultural Act of 1956 with countries accounting for a significant part of the world trade in such article.

The State of California is only one of at least 15 States across the country which are engaged in the production of the commodities described in the proposed amendment. A sizable portion of our Nation's economy might be adversely affected if measures are not taken to assure the continuance of stability in the domestic market and the proper regulation of foreign trade with respect to these commodities.

I believe that the proposed amendment is consistent with the spirit and purpose of the proposed Trade Expansion Act, and I urge its favorable consideration.

The PRESIDENT pro tempore. The amendment will be received, printed, and referred to the Committee on Finance.

AMENDMENT OF RAILWAY LABOR ACT—ADDITIONAL COSPONSOR OF BILL

Mr. MANSFIELD. Mr. President, on behalf of the Senator from Nevada [Mr. CANNON], I ask unanimous consent that his name be added as a cosponsor of S. 3540, a bill introduced on July 12, by the Senator from Oklahoma [Mr. MONRONEY] to amend the Railway Labor Act so as to authorize the President to establish boards to resolve jurisdictional disputes in the air transportation industry and for other purposes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

NOTICE OF HEARING ON NOMINATION OF ALLEN E. BARROW TO BE U.S. DISTRICT JUDGE, NORTHERN DISTRICT OF OKLAHOMA

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that a public hearing has been scheduled for Friday, July 27, 1962, at 10:30 a.m., in room 2300 New Senate Office Building, on the nomination of Allen E. Barrow, of Oklahoma, to be U.S. district judge, northern district of Oklahoma, vice Royce H. Savage, resigned.

At the indicated time and place persons interested in the hearing may make such representations as may be pertinent.

The subcommittee consists of the Senator from South Carolina [Mr. JOHNSTON], the Senator from Nebraska [Mr. HRUSKA], and myself, as chairman.

NOTICE OF RESUMPTION OF HEARING ON NOMINATION OF IRVING BEN COOPER TO BE U.S. DISTRICT JUDGE, SOUTHERN DISTRICT OF NEW YORK

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that public hearing will be resumed on Tuesday, July 24, 1962, at 2 p.m., in room 2228, New Senate Office Building, on the nomination of Irving Ben Cooper, of New York, to be U.S. district judge for the southern district of New York.

NOTICE OF HEARINGS ON CERTAIN RESOLUTIONS BY COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary I desire to announce that hearings will begin on Thursday, July 26, 1962, at 10:30 a.m., in room 2228, New Senate Office Building, on the following resolutions now pending before the committee:

Senate Joint Resolution 205, proposing an amendment to the Constitution of the United States to permit the offering of prayer in public schools; Senate Joint Resolution 206, proposing an amendment to the Constitution of the United States to permit the use of prayer in public schools; Senate Joint Resolution 207, proposing an amendment to the Constitution of the United States permitting the offering of prayers and the reading of the Bible in public schools in the United States, and relating to the right of a State to enact legislation on the basis of its own public policy on questions of decency and morality; Senate Concurrent Resolution 81, expressing the sense of Congress on the use of nonsectarian prayers in public schools as

87TH CONGRESS
2D SESSION

H. R. 11970

IN THE SENATE OF THE UNITED STATES

JULY 19, 1962

Referred to the Committee on Finance and ordered to be printed

AMENDMENT

Intended to be proposed by Mr. ENGLE (for himself, Mr. MORSE, Mr. KUCHEL, and Mr. TOWER) to the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes, viz: On page 3, after line 20, insert the following new section:

SEC. 203. EXCEPTION FOR CERTAIN FRUIT AND TREE NUT CROPS AND PRODUCTS.

No proclamation made pursuant to section 201 (a) (2) shall apply to any fruit or tree nut crop, or any individual product thereof, which is an article referred to in "Agricultural Handbook Numbered 143," United States Department of Agriculture, as issued in September 1959—

(1) of which 5 percent or less of the average annual production of such article produced in the United States in the most recent 5-year period is exported from the United States, and

(2) for which the United States accounts for less than 50 percent of the world's supply in the same 5-year period,

unless there is in effect a multilateral agreement with respect to such article negotiated by the President under section 204 of the Agricultural Act of 1956, as amended, with countries accounting for a significant part of the world trade in such article.

87TH CONGRESS
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H. R. 11970

AMENDMENT

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JULY 19, 1962

Referred to the Committee on Finance and ordered to be printed

12. UNITED NATIONS. Received a message from the President reporting on American activities in the U.N. during 1961 (H. Doc. No. 501). pp. 14362-3

13. FOREIGN TRADE. Sen. Bush submitted amendments intended to be proposed to H. R. 11970, the Trade Expansion Act of 1962, including an amendment to protect certain domestic products from unfair competition with foreign tropical agricultural and forestry commodities (pp. 14371-88).

Sen. Muskie submitted an amendment intended to be proposed to H. R. 11970 so as to protect certain domestic industries, including shoe-making and cotton textiles, from imports with a low-cost labor advantage (p. 14501). These amendments were referred to the Committee on Finance.

Sen. Hruska cited the need for U. S. to answer the farm commodity tariff policies of the Common Market. pp. 14466-7

14. FARM INCOME. Sen. Proxmire called low farm income "the No. 1 economic injustice in America", p. 14392

15. FEED GRAINS. Mr. Proxmire cited the success of the voluntary feed grain retirement program in reducing surpluses and urged its continuation. p. 14392

16. ESTES INVESTIGATION. Sen. Hickenlooper inserted the transcript of a television interview with Sen. Mundt, in which he vowed to make public any congressional involvement with Billy Sol Estes. pp. 14398-401

17. RESEARCH. The Government Operations Committee voted to report without amendment (but did not actually report) H. R. 6984, to provide for a method of payment of indirect costs of research and development contracted by the Federal Government at educational institutions, and with amendments S. 2771, to create a Commission on Science and Technology. p. D673

18. PURCHASING. The Government Operations Committee voted to report without amendment (but did not actually report) H. R. 8100, to allow GSA to charge to the consuming agencies the transportation cost of items of supply sent them by request. p. D673

19. LABOR-HEW APPROPRIATION BILL, 1963. Agreed to the conference report on this bill, H. R. 10904. This bill will now be sent to the President. (pp. 14450-7) The bill includes items for area redevelopment activities, manpower development and training activities, unemployment compensation for Federal employees, Mexican farm labor program, and Food and Drug Administration.

20. LEGISLATIVE BRANCH APPROPRIATION BILL, 1963. Passed as reported this bill, H.R. 11151. Conferees were appointed. pp. 14401-9, 14441-8

21. RECLAMATION. Concurred in the House amendment to S. 405, to authorize construction of the Mann Creek reclamation project, Idaho. This bill will now be sent to the President. pp. 14461-2

22. FOREIGN AID. Sen. Gruening inserted tables on U. S. foreign aid to various Latin American countries. pp. 14419-40

ITEMS IN APPENDIX

23. ELECTRIFICATION. Extension of remarks of Rep. Van Zandt inserting an article which discusses the termination of the hydro-electric dominance of the Pacific Northwest. p. A5939

24. TRANSPORTATION. Extension of remarks of Sen. Smathers inserting an address by

Sen. Ellender opposing a fuel tax for waterway users. pp. A5942-4

25. FOREIGN AID. Extension of remarks of Rep. Wright inserting an article commending the agricultural credit loan to Mexico. pp. A5952-3
Extension of remarks of Rep. Multer inserting an address discussing and commending the Alliance For Progress. pp. A5959-61

BILLS INTRODUCED

26. MINING. H. R. 12761, by Rep. Johnson, Calif., to provide relief for residentia occupants of unpatented mining claims upon which valuable improvements have been placed; to Interior and Insular Affairs Committee.

27. LUMBER. H. R. 12764, by Rep. Olsen, to authorize the Secretary of Commerce to establish and carry out a program to promote the flow of domestically produce lumber in commerce; to Agriculture Committee.

28. HAMPTON P. FULMER. H. Res 742, by Rep. Cooley, authorizing the printing of the proceedings incident to the presentation of a portrait of the late Hon. Hampton P. Fulmer to the Committee on Agriculture; to House Administration Committee.

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COMMITTEE HEARINGS AUGUST 3:
Estes investigation, S. Gov't Operations.
Foreign aid appropriations, H. Appropriations (exec).

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AMENDMENT OF RAILWAY LABOR ACT RELATING TO BOARDS TO RESOLVE JURISDICTIONAL DISPUTES IN AIR TRANSPORTATION INDUSTRY—AMENDMENTS

Mr. LAUSCHE. Mr. President, on July 12, 1962, the Senator from Oklahoma [Mr. MONRONEY], on behalf of himself and Senators RANDOLPH, MORTON, and SMITH of Massachusetts, introduced a bill, S. 3540, which would amend the Railway Labor Act so as to authorize the President to establish boards to resolve jurisdictional disputes in the air transportation industry. The bill was referred to the Committee on Labor and Public Welfare where it is now pending.

While I am in complete agreement with the general objective of this legislation which is to endeavor to resolve the jurisdictional problems that have beset the airline industry for several years, I am today introducing two amendments to this bill which I believe would more fully accomplish this objective.

My first amendment would provide that when a strike or a threat of a strike occurs in the operation of an airline, on a finding by the National Mediation Board that the labor dispute involves jurisdictional matters, the National Mediation Board shall forthwith notify the President and, thereupon the President may submit such dispute or disputes to the National Mediation Board for disposition, rather than for the President to submit such a dispute to a Jurisdictional Disputes Board which would be established by the Monroney bill. S. 3540 presently provides for an ad hoc Jurisdictional Disputes Board appointed by the President who apparently may appoint any person he desires to serve on the Jurisdictional Disputes Board. Presumably new people could be appointed each time a strike or a threat of a strike involving jurisdictional matters occurs in the operation of an airline.

I believe my amendment is an improvement over the original version because the National Mediation Board is a permanent Board which, over the years, would establish a body of precedent to aid in disposing of issues of this kind. The National Mediation Board has had vast experience in dealing with matters involving controversial labor issues and is better equipped to handle jurisdictional disputes of this nature than a newly created Board whose members would not be required by law to possess any special competency.

The Monroney bill would empower and direct the National Mediation Board to take jurisdiction over any and all carriers by air and any and all labor organizations necessary to effect a settlement of a dispute insofar as it comprises subject matters described in clause (2) of subsection (2) and issues related thereto, and shall make a final determination thereof.

My second amendment would strike the words "and issues related thereto" and substitute the words "including the issues arising from such determination." The purpose of this change is to make it completely clear that the National Mediation Board may assume jurisdiction only over those issues arising directly from the jurisdictional dispute. It appears to me that the original wording is so broad that it would permit the inclusion of issues not arising directly from the jurisdictional strike. This would result in extending the concept of compulsory arbitration far beyond the mere disposition of a jurisdictional dispute. I am convinced that free compulsory arbitration, even where it must be used as a final resort, should be confined to as narrow a scope as possible.

The adoption of my second amendment, in my opinion, would resemble closely the approach used in settling jurisdictional disputes under the Taft-Hartley Act.

The VICE PRESIDENT. The amendments will be received, printed, and referred to the Committee on Labor and Public Welfare.

REVENUE ACT OF 1962—AMENDMENT

Mr. ENGLE submitted an amendment, intended to be proposed by him, to the bill (H.R. 10650) to amend the Internal Revenue Code of 1954 to provide a credit for investment in certain depreciable property, to eliminate certain defects and inequities, and for other purposes, which was referred to the Committee on Finance and ordered to be printed.

TRADE AGREEMENTS ACT OF 1962—AMENDMENTS

Mr. BUSH. Mr. President, I submit amendments to House bill 11970, the proposed Trade Expansion Act of 1962. I ask that the amendments be referred to the Finance Committee.

The amendments are being submitted by me, on behalf of myself, the Senator from Colorado [Mr. ALLOTT], the Senator from Utah [Mr. BENNETT], the Senator from Indiana [Mr. CAPEHART], the Senator from Iowa [Mr. HICKENLOOPER], the Senator from Wyoming [Mr. HICKEY], the Senator from Massachusetts [Mr. SALTONSTALL], the Senator from South Carolina [Mr. THURMOND], and the Senator from Texas [Mr. TOWER].

Mr. President, these amendments represent an integrated, cohesive set of changes which preserve the main outlines of the bill, while providing clear-cut guidelines for the President's use of the new authority, necessary safeguards for the domestic economy, and improved negotiating techniques to strengthen the bargaining position of the United States for the benefit of our export industries.

The amendments reflect some of the conclusions reached by the Joint Economic Committee following hearings conducted last fall by the Subcommittee on Foreign Economic Policy. These include, most importantly, that the Common Market countries owe the rest of the free world a unilateral reduction in trade barriers, and that they should remove their present quotas and other discriminations against the products of Japan.

They also reflect my own conviction that this country's historic policy of avoiding serious injury to domestic industries and the workers they employ should be maintained. This policy, first enunciated by Franklin D. Roosevelt and Cordell Hull, was continued in principle by both the Truman and the Eisenhower administrations. The present administration's proposal to abandon the no-injury policy should be decisively rejected by the Senate.

Additionally, the amendments provide for continuation and strengthening of the principles of reciprocity and selectivity which have characterized our trade laws.

I ask unanimous consent to have printed at this point in the RECORD the following:

First, the text of the amendments, with an identifying number preceding each individual amendment.

Second, a memorandum in explanation of the amendments, and an amendment-by-amendment description.

Third, the text of House bill 11970 as it would be affected by these amendments, with the matter proposed to be deleted set forth in black brackets, and the matter proposed to be inserted set forth in italic.

I ask unanimous consent that the amendments lie on the table until the close of business on Monday, August 6, so that other Senators may have an opportunity to join in sponsoring the amendments, if they so desire.

The VICE PRESIDENT. The amendments will be received, printed, and referred to the Committee on Finance; and, without objection, the matters submitted will be printed in the RECORD; and the amendments will lie on the desk, as requested by the Senator from Connecticut.

The matters submitted by Mr. BUSH are as follows:

EXHIBIT 1

AMENDMENTS INTENDED TO BE PROPOSED BY MR. BUSH, IN BEHALF OF HIMSELF AND OTHER SENATORS, TO THE BILL (H.R. 11970) TO PROMOTE THE GENERAL WELFARE, FOREIGN POLICY, AND SECURITY OF THE UNITED STATES THROUGH INTERNATIONAL TRADE AGREEMENTS AND THROUGH ADJUSTMENT ASSISTANCE TO DOMESTIC INDUSTRY, AGRICULTURE, AND LABOR, AND FOR OTHER PURPOSES

[1] On page 2, line 20, strike out "any of the" and insert in lieu thereof "the first purpose together with any of the other".

[2] On page 3, strike out lines 14 through 20.

[3a] On page 4, line 6, before the period insert the following: ", and that the United States accounted for 25 percent or more of such value".

[3b] On page 4, line 19, before the period insert ", and modifications thereof".

[3c] On page 4, beginning with "Such" in line 22, strike out all through line 2, on page 5, and insert in lieu thereof the following: "Such modification by the Tariff Commission shall be made (i) for the purpose of correction (in which event it must be made before the date on which the first list of articles specifying this section is furnished by the President to the Tariff Commission pursuant to section 221), or (ii) for the purpose of excluding articles on which the Commission finds in its investigation under section 221(b) that a reduction in duties below

the limit specified in section 201(b)(1) would cause or threaten serious injury to the domestic industry, sector of agriculture, or workers producing like or directly competitive articles."

[3d] On page 5, line 18, strike out "in use" and insert in lieu thereof "made public".

[3e] On page 5, line 22, strike out "and".

[3f] On page 6, line 2, strike out the period and insert in lieu thereof ", and".

[3g] On page 6, between lines 2 and 3, insert the following:

"(iii) for which payment is not made nor undertaken to be made in the currency of the exporting nation on a commercial basis."

[3h] On page 6, line 14, strike out the period and insert in lieu thereof the following: ", and make them public."

[4] On page 6, line 18, strike out the period and substitute in lieu thereof the following: ", or to any article as to which the Tariff Commission finds in its investigation under section 221(b) that a reduction in duties below the limit specified in section 201(b)(1) would cause or threaten serious injury to the domestic industry, sector of agriculture, or workers producing like or directly competitive articles."

[5a] On page 7, line 11, strike out "and".

[5b] On page 7, between lines 11 and 12, insert the following:

"(3) such article is not directly competitive with an article produced in significant quantities in the United States; and".

[5c] On page 7, line 12, strike out "(3)" and insert "(4)".

[5d] On page 8, line 12, strike out "and".

[5e] On page 8, line 14, after the comma insert "and".

[5f] On page 8, between lines 14 and 15, insert the following:

"(3) whether or not such article is directly competitive with an article produced in significant quantities in the United States,".

[6] On page 9, strike out lines 5 through 11, and insert in lieu thereof the following:

"(b)(1) Upon receipt of such list, the Commission shall make an investigation and report to the President its findings with respect to each such article as to—

"(A) the limit to which such modification or continuance may be extended without causing or threatening serious injury to the domestic industry, sector of agriculture, or workers producing like or directly competitive articles; and

"(B) if increases in duties or additional import restrictions are required to avoid serious injury to the domestic industry, sector of agriculture, or workers producing like or directly competitive articles, the minimum increases in duties or additional import restrictions required.

Such report shall be made by the Commission to the President not later than six months after the receipt of such a list by the Commission.

"(2) If in the course of any such investigation the Commission shall determine that a modification of duties or other import restrictions, or the continuance of existing customs or excise treatment, applicable to any imported article would likely result in (A) a significant decline in the share of the domestic market supplied by domestic products in relation to a representative base period (taking into account a decline in order bookings of domestic industries producing articles requiring a long lead time in production), and (B) either—

"(i) a significant decline in the net earnings of the domestic industry producing such products, or

"(ii) a decline in employment, a loss of wages due to shortened work periods, or a decline in wage rates in such domestic industry,

the Commission shall make a finding that such modification of duties and other import restrictions, or continuance of existing customs or excise treatment, cannot be made without causing or threatening serious injury to the domestic industry producing like or directly competitive articles.

"(3) In the course of any investigation pursuant to this section the Commission shall hold hearings and give reasonable public notice thereof, and shall afford reasonable opportunity for parties interested to be present, to produce evidence, and to be heard at such hearings."

[7] On page 10, line 9, after "for" insert ", or grant a concession consisting of,".

[8] On page 10, line 23, strike out "or 351".

[9] On page 11, beginning with the word "During" in line 9, strike out all through line 10, and insert in lieu thereof the following: "The President shall also reserve".

[10] On page 12, line 9, strike out "advice" and insert in lieu thereof "findings".

[11a] On page 12, between lines 11 and 12, insert the following:

"SEC. 226. ESSENTIAL CONDITIONS FOR GRANTING CONCESSIONS

"(a) The President shall not proclaim any modification of existing duties or other import restrictions, or a continuance of existing customs or excise treatment of any article covered by a trade agreement entered into under this Act, unless he finds as a fact that the countries of the European Economic Community which are parties to such agreement and would by the terms of such agreement receive the benefit of such modifications or continuance have, except as otherwise permitted by the terms of such agreement, committed themselves to admit like articles exported from the United States on terms and conditions no less favorable than those which would be applicable to their exports of such articles when imported into the United States if the President were to proclaim the modification or continuance provided for in such foreign trade agreement.

[11b] "(b) In the course of negotiating a trade agreement, the President shall not make an offer, or grant in whole or in part a request, for the modification or continuance of duty-free or excise treatment with respect to any article, unless the country or instrumentality to which such offer is made, or which requests the modification or continuance, is the principal supplier of such article in world export trade (not including the exports of the United States) as shown by the value of the exports of such article by such country or instrumentality in relation to the total world export value of such article (excluding the value of United States exports) during the most recent two-year period preceding the negotiations for which data is available.

[11c] "(c) The President shall not proclaim any modification of existing duties or other import restrictions, or a continuance of existing customs or excise treatment of any article covered by a trade agreement, unless he finds as a fact that the foreign countries which are parties to such agreement and would by the terms of such agreement receive the benefit of such modification or continuance have committed themselves to admit like articles exported from countries other than the United States and other than those countries referred to in section 231 free from quantitative and other nontariff restrictions and subject to duties and other charges no greater than those which would be applicable to such articles when imported into the United States if the President were to proclaim the modification or continuance provided for in such trade agreement."

[11d] On page 12, line 12, strike out "226" and insert in lieu thereof "227".

[12] On page 12, strike out lines 15 through 18 and substitute in lieu thereof the following: "this title, together with a statement accurately identifying any article with respect to which the limits or minimum requirements found and reported by the Tariff Commission under sections 221 (b) and 408 (c) are not complied with, and stating his reasons for the action taken with respect to each such article."

[13a] On page 16, line 14, strike out "and chapter 4 of title III".

[13b] On page 16, lines 15 and 16, strike out the words "a Cabinet officer selected by the President" and insert in lieu thereof "the Secretary of Commerce".

[14] On page 17, line 10, strike out "unjustifiable".

[15] On page 18, between lines 13 and 14, insert the following:

"SEC. 244. PARTICIPATION BY INDUSTRY, AGRICULTURE, AND LABOR IN NEGOTIATIONS.

"It is hereby declared to be the sense of the Congress that the President, during the course of negotiating any trade agreement, should seek information and advice with respect to each distinct and homogeneous grouping of articles which is the subject of negotiations from the representatives of the domestic industry, agricultural sector, and labor producing the like or directly competitive articles.

[16a] On page 18, line 23, strike out "unjustifiable."

[16b] On page 19, line 14, strike out "unlimited."

[16c] On page 19, line 19, strike out "unjustifiably."

[16d] On page 19, lines 20 and 21, strike out ", to the extent that such action is consistent with the purposes of section 102."

[16e] On page 20, line 5, strike out "unjustifiable."

[17a] On page 22, between lines 14 and 15, insert the following:

"(c) The President shall, at the end of the period specified in any trade agreement, terminate, by appropriate modification of the proclamation which made it effective, any concession granted by the United States to the European Economic Community under the authority of section 211, if he determines, under the criteria of that section, with reference to the most recent two-year period for which data is available, either (1) that the United States exports did not account for at least 25 percent of the aggregated world export value of the articles in the category covered by the concession, or (2) that the United States and the European Economic Community together did not account for 80 percent or more of such value during such period.

[17b] "(d) Whenever any foreign country, party to a trade agreement entered into under this Act, suspends, withdraws, or otherwise abrogates a commitment referred to in subsection (a) or (c) of section 226, in violation of the provisions of trade agreements, the President shall forthwith notify such country of the intention of the United States to terminate the concession or concessions granted by the United States in reliance on such commitment. If the foreign country after such notification fails promptly to restore the commitment into full force and effect, the President shall forthwith terminate such concession or concessions by appropriate modification of the proclamation which made it or them effective."

[18] On page 26, line 6, strike out "6, 7."

[19] On page 26, strike out lines 12 through 19.

[20] On page 27, strike out lines 7 through 10, and insert in lieu thereof the following:

"(a)(1) Petitions by domestic industries for import adjustment shall be filed with the Tariff Commission under section 7 of the Trade Agreements Extension Act of 1951, as amended (19 U.S.C., sec. 1364); and petitions by firms or groups of workers for determinations of eligibility to apply for adjustment

assistance may be filed with the Tariff Commission under subsection (c) of this section. In".

[21] On page 28, strike out lines 2 through 4, and insert in lieu thereof the following: "a result, in whole or in part, of the duty or other customs treatment reflecting concessions granted under trade agreements, an article is being imported into the United States in such increased quantities, either actual or relative, as to cause, or threaten to cause, serious".

[22] On page 28, strike out lines 8 through 11, and insert in lieu thereof the following: "the Tariff Commission shall be governed by section 7 of the Trade Agreements Extension Act of 1951, as amended (19 U.S.C., sec. 1364)."

[23a] On page 28, beginning with ", in" in line 20, strike out all through line 22, and insert in lieu thereof the following: "determine whether, as a result, in whole or in part, of the duty or other customs treatment reflecting concessions granted under".

[23b] On page 28, line 25, strike out "as to cause", and insert in lieu thereof ", either actual or relative, as to cause".

[24] On page 29, beginning with "In" in line 1, strike out all through line 6.

[25a] On page 29, beginning with ", in" in line 9, strike out all through line 11, and insert in lieu thereof the following: "determine whether, as a result, in whole or in part, of the duty or other customs treatment reflecting concessions granted under".

[25b] On page 29, strike out line 15, and insert in lieu thereof the following: "In such increased quantities, either actual or relative, as to cause, or threaten to cause,".

[26] On page 30, between lines 12 and 13, insert the following:

"(f) Subsection (b) of section 7 of the Trade Agreements Extension Act of 1951, as amended (19 U.S.C., sec. 1364 (b)), is amended by adding at the end thereof the following new sentence: 'The Commission shall find that increased imports have caused or threaten serious injury to the domestic industry producing like or directly competitive products when the evidence received during its investigation and hearings establishes that there has occurred (1) a significant decline in the share of the domestic market supplied by domestic products in comparison with the share so supplied during a representative base period (taking into account a decline in order bookings of domestic industries producing articles requiring a long lead time in production), and (2) either (i) a significant decline in the net earnings of the domestic industry producing such products, or (ii) a decline in employment, a loss of wages due to shortened work periods, or a decline in wage rates in such domestic industry.' "

[27] On page 30, line 13, strike out "(f)" and insert in lieu thereof "(g)".

[28a] On page 31, strike out lines 12 through 25, and insert in lieu thereof the following:

"(a) After receiving a report from the Tariff Commission containing an affirmative finding under section 301(b) with respect to any industry, the President shall take action or report as specified in section 7(c) of the Trade Agreements Extension Act of 1951, as amended (19 U.S.C., sec. 1364 (c)).

"(b) No proclamation pursuant to subsection (a) shall be made—

"(1) increasing any rate of duty to a rate more than 50 percent above the rate existing on July 1, 1934, or

"(2) in the case of an article not subject to duty, imposing a duty in excess of 50 percent ad valorem.

For purposes of paragraph (1), the term 'existing on July 1, 1934' has the meaning assigned to such term by paragraph (5) of section 256."

[28b] On page 32, strike out lines 1 through 20, and insert in lieu thereof the following:

"(c) Paragraph (2)(B) of subsection (c) of section 7 of the Trade Agreements Extension Act of 1951, as amended (19 U.S.C., sec. 1364(c)(2)(B)), is amended by striking out the word 'two-thirds' and inserting in lieu thereof the word 'majority'."

[29a] On page 32, line 21, strike out "(c)" and insert "(d)".

[29b] On page 33, line 1, strike out "(d)" and insert "(e)".

[30] On page 33, line 1, strike out "(b) or (c)" and insert in lieu thereof "(d)".

[31] On page 33, line 5, strike out "(e)" and insert "(f)".

[32] On page 33, line 9, strike out "(2) or in subsection (b)(2) of this section".

[33] On page 33, beginning with "Within" in line 19, strike out all through line 10 on page 49, and insert in lieu thereof the following:

"(b) Promptly upon receipt of such application the Secretary of Commerce shall designate the community in which each affected plant of the affected firm is located as a "redevelopment area" under the Area Redevelopment Act (P. L. 87–27) for the purpose of making available to such firm the benefits of such Act, and notwithstanding any provision of such Act to the contrary, the Secretary is authorized and shall accord on a priority basis to the affected firm and its affected workers such benefits provided in such Act as the Secretary shall determine to be appropriate for the sound economic redevelopment of the affected establishment and workers."

[34] On page 49, beginning with line 12, strike out all through line 16, on page 73, and insert in lieu thereof the following:

"SEC. 321. CERTIFICATION OF ADJUSTMENT PROPOSALS.

"(a) A group of workers certified under section 302 as eligible to apply for adjustment assistance may, at any time within two years after the date of such certification, file an application with the Secretary of Labor for adjustment assistance under this chapter.

"(b) Promptly upon receipt of such application the Secretary of Labor shall make available on a priority basis to unemployed or underemployed workers in such group the benefits provided in the Manpower Development and Training Act of 1962."

At the end of the bill insert the following new sections:

[35] "SEC. 406. FINDINGS OF FACT REQUIRED FOR PRESIDENTAL DETERMINATIONS.

"Any determinations of the President under sections 201(a), 211(a), 211(b), 211(c), 212, 213(a), 213(b), 232(a), 232(b), 254, 256(7), or 302(a) shall be based upon findings of fact by the President that the conditions or principles specified in each such section exist or are applicable as shown by the record of the investigation made incidental to such determination.

[36] "SEC. 407. PUBLICATION OF REPORTS.

"The reports and other documents described in sections 213(c), 242(b)(3), and 301(g) shall be made public by the President or at his direction as soon as practicable after the purposes for which they are specified in this Act have been accomplished.

[37] "SEC. 408. FOSTERING INCREASED EMPLOYMENT IN GROWTH INDUSTRIES.

"(a) Taking note of the persistent high levels of unemployment existing in the United States and the necessity for encouraging and protecting the growth of new domestic industries and domestic industries whose operations have been characterized by sustained growth in employment, plant investment, and production as a means of reducing unemployment and providing jobs for the Nation's growing labor force, the Congress declares it to be the policy of the United States that no reduction in any rate of duty, or binding of any existing customs or excise treatment, or other concession proclaimed under section 350 of the Tariff Act of 1930, as amended (19 U.S.C., sec. 1351), or under section 201 of this Act, shall be permitted to continue in effect when the product on which the concession has been granted is, as a result, in whole or in part, of the duty or other customs treatment reflecting such concession, being imported into the United States in such increased quantities, as to cause or threaten serious impairment of the rate of growth of such industries producing the like or directly competitive products. No action shall be taken pursuant to section 201 of this Act to decrease the duty on any imported article or to bind any existing customs treatment, if such action would cause or threaten serious impairment of the rate of growth of such domestic industries producing the like or directly competitive products.

"(b) The President, as soon as practicable, shall take such action as may be necesary to bring trade agreements heretofore entered into under section 350 of the Tariff Act of 1930, as amended (19 U.S.C., sec. 1351), into conformity with the policy established in subsection (a) of this section.

"(c) In any investigation conducted pursuant to section 221 (b) of this Act, the Tariff Commission shall, in addition to the findings required by such section, report to the President its findings with respect to the limit to which modification of duties and other import restrictions, or continuance of existing customs and excise treatment, may be made with reference to imported articles in order to carry out the purpose of this Act without causing or threatening serious impairment of the rate of growth of such domestic industries, described in subsection (a) of this section, which produce the like or directly competitive articles.

"(d)(1) The first paragraph of subsecton (a) of section 7 of the Trade Agreements Extension Act of 1951, as amended (19 U.S.C., sec. 1364(a)), is amended by changing the period at the end of the paragraph to a comma and adding the following: 'or to cause or threaten serious impairment of the rate of growth of a new domestic industry or a domestic industry whose operations have been characterized by sustained growth in employment, plant investment, and production, which produces the like or directly competitive products.'

"(2) The first sentence of the third paragraph of subsection (a) of such section is amended (A) by inserting after 'directly competitive products,' the following: 'or to cause or threaten serious impairment of the rate of growth of a new domestic industry or a domestic industry whose operations have been characterized by a sustained growth in employment, plant investment, and production, which produces the like or directly competitive products,'; and (B) by striking out the period at the end of such sentence and inserting in lieu thereof the following: 'or impairment.'

"(3) The first sentence of paragraph (1) of subsection (c) of such section is amended by inserting after the words 'serious injury to' the following: 'or serious impairment of the rate of growth of'."

EXHIBIT 2

MEMORANDUM IN EXPLANATION OF PROPOSED AMENDMENTS TO H.R. 11970

As a group these amendments are designed to accomplish the following:

1. Basic negotiating principles: To insure that the broad new authority delegated to the President will actually be used so as to conform to principles which now, as in the past, have been desired by Congress but have not always been achieved in actual practice.

(a) True reciprocity, in which U.S. exports will be assured equivalent customs treatment to that accorded foreign imports by the United States (amendments 11a; 16a, b, c, d, e, 17b).

(b) Actual value received, in which U.S. concessions on each article will be negotiated with the principal supplier of that article in the world export trade. This will reform a practice in which concessions have often been granted in the past to countries which are not in the strongest competitive position in world trade on the articles covered by the concessions, with the result that the strongest competitors get the prime benefit of the concessions, under our most-favored-nation rule, without making a reciprocal concession to the United States for this increased access to U.S. markets (amendment 11b).

(c) Equal treatment of Japan and all other countries parties to the trade agreement by beneficiaries of our concessions, by requiring recipients of U.S. concessions on particular goods to admit such goods from Asia, Latin America, and Africa with liberality equivalent to that accorded by the United States. This will prevent European countries, for example, from continuing to exclude low-cost goods from Asia by quotas, licenses, and other restrictive measures, with consequent diversion of Europe's reasonable share of such goods into the U.S. market. This is a reform badly needed, if the effect of concessions granted to Europe, when extended to Asiatic countries under our most-favored-nation rule, is not to channel Asia's goods exclusively into the U.S. market (amendments 11c, 17b).

(d) Maintaining the integrity of concessions to the Common Market, in which eliminations and reductions of duty on particular categories of goods, based upon the condition that the United States and the European Economic Community countries supply 80 percent of world export value of such goods, will be withdrawn at the end of the 3-year term of United States-European Economic Community trade agreements if the trade of other countries, which receive the benefit of such concessions under the most-favored-nation rule, has increased to such an extent that the United States and the European Economic Community no longer account for 80 percent of world export value of such goods (amendment 17a).

2. Constitutional principles: To insure that the delegation to the President of unprecedented power over customers duties contained in the bill is subject to the minimum constitutional requirements of (1) a clear statement of principles to guide the President in the use of such power; (2) the necessity for findings of fact by the President that in each case in which he proposes to use the delegated power the circumstances actually meet the principles specified by the Congress; and (3) the publication of reports setting forth the facts pertinent to each use of delegated power, and the President's finding of fact based thereon:

(a) Clarification or completion of the statement of principles which are to guide the President's use of the trade agreement power, in which—

(1) the expansion of U.S. exports is made an essential purpose which must be met in each and every use of the power (amendments 1; 2; 3a; 11a; 16 b, c, and d).

(2) the necessity for U.S. commercial exports to be a significant factor in world trade in categories subjected to elimination of duty in United States-European Economic Community trade agreement negotiations is made clear (amendments 3 a and b).

(3) the use of the delegated powers so as to avoid causing serious injury to domestic industries, agriculture, and workers is required (amendments 3c; 4; 5 b and f; 6; 7; 9; 10; 12; 18; 20; 22; 28a; 33; 34).

(4) the minimum acceptable basis for an exchange of concessions with foreign countries is specified by the Congress (amendments 11 a, b, c; 16 a, b, c, d).

(b) Making more definite the obligation of the President to base his use of the delegated power upon findings of fact that the purposes and principles specified by Congress have been satisfied (amendments 1; 3c; 4; 6; 7; 10; 11 a, c; 12; 35).

(c) Making more definite the requirement for public hearings at which interested parties shall have the right to be heard on matters which the Congress makes prerequisite for the executive in using the trade agreement powers (amendments 6; 22).

(d) Requiring reports of investigations and findings of matters pertinent to the exercise of the trade agreements authority to be made public (amendments 3 b, d, h; 12; 22; 36).

3. Safeguard principles: To restore to the bill the traditional principle of a selective reduction of tariffs which will avoid causing or threatening serious injury to domestic industries, agriculture, and workers. (This principle has been at the heart of trade agreement policy from the beginning, and Congress has developed and emphasized it in the three extensions in the 1950's.)

(a) Replace the Tariff Commission's prenegotiation advice to the President of economic effects of proposed eliminations or reductions of duty, with the present peril point procedure under which the Commission finds the extent to which duties can be reduced without causing or threatening serious injury (amendments 3c; 4; 6).

(b) Replace the bill's post-trade agreement procedure of a Tariff Commission inquiry to determine whether solely as a result of a concession imports of an article have idled plants, made firms unable to operate at a profit, and thrown workers out of jobs throughout the entire industry, with the present escape clause procedure under which the Commission finds whether imports due in part to past concessions are causing or threatening serious injury to the segment of the industry directly engaged in the production of the like or competitive articles (amendments 18; 20; 21; 22; 23 a and b; 24; 26 a and b; and 28a).

(c) Improve administration of the peril point and escape clause procedures by specifying criteria of injury which shall require an affirmative finding by the Tariff Commission; and liberalize the restrictive provision of the present law and the bill for Congressional approval of Tariff Commission findings rejected by the President (amendment 6, ¶ 2; 26; 28b).

(d) Prevent impairment of growth industries, with their employment-creating potential, by excessive imports by enlarging the criteria of the peril point and escape clause procedures to provide the President with findings of these possibilities (amendment 37).

4. Administrative reform: To keep the execution of the trade agreements program in the hands of persons knowledgeable in domestic commerce in order to reform the State Department's orientation of the program as a nonreciprocal adjunct to our foreign aid programs (amendments 1, 13b, 15).

5. Conform adjustment assistance for firms and workers to the remedies in present law so as to avoid creating federal standards of unemployment assistance, inequities as between classes of unemployed workers and distressed firms, and the use of worker/firm adjustment assistance as an alternative to tariff adjustment for industries and workers seriously injured by imports (amendments 23a; 25a; 28b; 30; 32; 33; 34).

AMENDMENT-BY-AMENDMENT DESCRIPTION

1. Since four separate purposes are specified in section 102 of the bill, only the first of which is directed to expansion of our exports, the presence of the words "any of" in section 201 would permit the Executive to reduce or eliminate U.S. duties without specific regard to seeking an expansion of U.S. exports. This amendment would prevent such a use of the powers in the bill. An expansion of U.S. exports would have to be included as one of the purposes guiding the President in entering into any trade agreement which granted duty changes to other countries.

2. The power in section 202 to transfer products to the free list on the sole test that their existing duty protection is 5 percent or less, was asked because Administration spokesmen believed the rates to "have little or no economic significance" so that they could be eliminated "as a matter of convenience of administration." (Hearings, Ways and Means Committee, p. 32.) The Ways and Means Committee disagreed, stating in its report:

"It is not your committee's intention, in recommending the grant of this authority, to minimize the significance of rates of duty at this level" (H. Rept. No. 1818, p. 16).

Since the premise for this power was rejected, the section itself should have been stricken from the bill by the committee. (Such articles would, of course, remain subject to the other duty reduction or elimination provisions of the bill.)

3a. Under the 80 percent test specified in section 211 of the bill, U.S. duties could be eliminated even though the United States accounted for only a negligible part of the 80 percent. The theory of section 211 is that on certain products the United States and the European Economic Community are each foremost suppliers so that duty elimination as between these two entities would not principally benefit Japan or other countries. But if the United States is not a significant factor in world trade on a particular group of articles falling in the 80-percent category, it may be because we are noncompetitive vis-a-vis EEC. Therefore, an elimination of duties on such a category would not benefit our exports. In the debate in the House on H.R. 11970, Chairman MILLS of the Ways and Means Committee was asked about a requirement that 25 percent of the 80 percent be accounted for by the United States. He admitted an argument could be made for it, and said this matter could be studied by the Senate (CONGRESSIONAL RECORD, June 28, 1962, p. 11148). The Ways and Means report stated that the committee expected the categories under the 80-percent test to be "to a very large extent * * * those in which the United States exports more than it imports" (H. Rept. No. 1818, 87th Cong., p. 15).

The amendment suggested here—the requirement that the U.S. supply at least 25 percent of the 80 percent world export value—is not as exacting as the committee statement, yet it would provide certainty, which the bill does not, that categories negotiated under the 80-percent test be those in which U.S. exports are of some significance.

3b. The bill properly provides for the Tariff Commission to make public its determinations of articles falling within the categories specified by the President for use in EEC negotiations. The bill also permits the Commission to modify such determinations (and these proposals would permit further modification to delete articles competitive with products of industries which would be seriously injured by elimination of duties). Obviously the modifications should be made as

public as the initial determinations. That is the purpose of this amendment.

3c. The purpose of section 211(b) is to limit the effort of eliminations of duty in United States-European Economic Community negotiations to those specific articles determined by the Tariff Commission to be included in the categories selected by the President. In line with other amendments proposed, which would restore the basic principle of avoiding serious injury to domestic industry, this amendment would require the Commission to modify its initial determination of articles included in EEC negotiating categories so as to remove specific articles on which it finds that elimination of duties would cause or threaten serious injury to domestic industry, agriculture, or workers producing the like or competitive articles.

3d. The public interest in trade agreement preparations and in the findings requisite to use of trade agreement authority is quite evident from the many provisions for public hearings, notice, and the like. The 80 percent statistical determination provided for in section 211 is of key importance to the power of the President to eliminate duties in negotiations with the EEC. Therefore, it is consistent with the spirit of the bill to make readily available to the public basic facts upon which these determinations depend. The public cannot know what trade statistics the Department of Commerce has in use so as to form its own judgment of exposure of products to the authority of section 211. It could do so if the Department were required to make such statistics public. (Of course, it now publishes U.S. export statistics, but not the more limited foreign statistics.) This amendment is directed to this end.

3 e, f, and g. These amendments would require the elimination from export value for purposes of the 80 percent test of articles donated, sold for counterpart funds, or purchased for dollars with foreign aid funds. Since these exports have no independent commercial significance, they should not be included in data used to determine the commercially important categories in which the United States-European Economic Community trade is so significant that mutual tariff elimination would be expected to contribute to the exports of the affected industries of these two entities. These amendments respond to these realities.

3h. The Tariff Commission's finding as to the essential facts for a determination of the categories meeting the 80 percent test, and, hence, subject to duty elimination, is of obvious interest to the business community, as well as agriculture and labor. These facts are not policy, and their publication would not inhibit the President's freedom of action in subsequent negotiations. Hence, this amendment would require them to be made public by the Commission when it sends them to the President.

4. This amendment would remove absolutely from the authority to eliminate duties entirely or to exceed a 50 percent cut in duties in European Economic Community negotiations those articles as to which the Tariff Commission finds that such duty change would cause or threaten serious injury to the domestic industry producing the like or competitive articles. In reductions in duty not exceeding 50 percent, the President would retain the right he now holds of going beyond the "peril point" found by the Commission, by explaining to the Congress why he did so. The power to exceed a 50 percent cut, and to eliminate duties entirely, is unprecedented in U.S. trade agreement history. Under total elimination of duties, the probability of injury to an industry sensitive to import competition would appear to be certain and definite. The Commission's findings that such injury would occur should, therefore, be controlling, and this amendment would make them so by requiring such articles to be removed from the scope of the duty elimination authority.

5 a, b, c, d, e, f. The unstated premise of section 213 of the bill providing for mutual elimination of duties by the United States and European Economic Community on tropical commodities is that any import restrictions which exist are likely to be unnecessary to safeguard home production since both areas are in the temperate climes. Overlooked, however, is the possibility that species of fiber, lumber, tree nuts, vegetable oil, and the like produced in the tropics are directly competitive with other species produced in temperate climes. It would be consistent with the premise of this section of the bill to exclude from its duty-elimination power any commodities which the Tariff Commission finds are, in fact, directly competitive with articles produced in the United States. These amendments so provide. (Such articles would, of course remain subject to the general 50 percent reduction in duty provision of the bill.)

6. This amendment deletes the bill's substitute for the peril point procedure, and reinstates the procedure in present law. Since 1951 the Tariff Commission has been required to determine the extent to which the duty on articles proposed for tariff negotiations could be reduced without causing or threatening serious injury to American industries, farmers, and workers. In lieu of this procedure, the bill would simply call for the President to be advised by the Tariff Commission of the economic effect of reductions or eliminations of duty.

The definition of "industry" under which the Commission now considers the impact of imports on that part of the operations of the firms producing articles competitive with the imported articles, would be repealed by the bill. The Commission would have to consider the effect of imports on the overall operations of the firms in the industry, regardless of whether they are multiproduct or multiplant producers. Further, instead of determining whether increased imports due in whole or in part to proposed concessions would cause or threaten serious injury, the Commission would be limited to considering whether imports resulting solely from the concessions possible under the bill would cause "idling of productive facilities, inability to operate at a profit, and unemployment or underemployment" (H. Rept. No. 1818, p. 5).

These changes called for by the bill would, in combination, effectively prevent the Commission from warning in advance of negotiations against injurious changes in duty. Total disaster attributable solely to a duty change will rarely be foreseen. The peril point procedure was a guardrail to prevent disaster. Amendment 6 will carry that procedure on as an essential safeguard.

Paragraph (2) of amendment 6 would provide the Tariff Commission with a clear-cut set of criteria under which findings of probable import injury would be mandatory. The purpose of specifying these criteria is to remove an area of doubt or debate from the Commission's peril point deliberations, and thus facilitate its administration of the peril point procedure. The criteria will also provide more certainty to the business, agricultural, and labor communities enabling them to evaluate more readily the position of their products vis-a-vis imports, and to prepare for participation in peril point public hearings aided by a clearer understanding of controlling areas of proof.

7. This is a perfecting amendment to close a loophole in the provision of the bill which intends that the President be supplied with the informed findings of the Tariff Commission as to the foreseeable consequences of reductions or eliminations of duty before he agrees to grant concessions to any foreign country. Concessions result not only from U.S. offers, but also from the requests of other countries. By stating the one but not the other, the bill permits the President to agree to concessions so requested before he has the Commission's advice. This amendment would correct that situation.

8. Other amendments propose elimination of the great majority of the adjustment assistance provisions of the bill, including section 351. Deletion of the reference to that section in section 225(a)(1) is therefore appropriate.

9. This amendment would correct an apparent anomaly in the bill. The bill gives the President authority for 5 years to reduce and eliminate duties via trade agreement actions. Section 225 specifies that certain items are to be reserved from the negotiations. But subsection (b) would require reservation of articles, where reduced duties are found by the Tariff Commission to be injuring domestic industries, to be so reserved only during the first 4 years of the 5-year period in which the President can act. No reason was given in the House for this 1-year hiatus. If reservation of such articles is a valid principle, and it is, it should apply throughout the 5-year period in which the President could negotiate agreements. This amendment would so require.

10. This amendment would strengthen the bill from the constitutional aspect by changing the Tariff Commission's role in prenegotiation activity from one of advice to that of factfinding. The Commission is a factfinding agency with expertise in the tariff and trade area. Constitutionally there must be a procedure wherein it is established as a matter of fact that particular actions the President proposes to take in using the delegated power meet the policy guidelines specified by Cougress in the legislation. Mere advice will not do this, but findings of fact will; hence the amendment.

11a, 11b, and 11c. These amendments specify three cardinal principles of trade agreement negotiation which are designed to strengthen the position of the United States in securing value received for the concessions which it grants in such negotiations.

First (11a), we will not grant more favorable treatment to imports from EEC countries than they are willing to grant our exports (subject, however, to the right of other countries to invoke in proper circumstances provisions of trade agreements pertaining to balance-of-payments difficulties, infant industries, and the escape clause to correct serious injury to a home industry).

Second (11b), we will negotiate new concessions with the principal supplier of the goods covered by the concession. Under most-favored-nation rule, this will tend to insure that the effect on our markets can be most accurately judged in such negotiations and, particularly, that the United States can secure payment by reciprocal concessions from the chief beneficiary of our concessions.

Third (11c), we will not open up our market more widely to all countries, under our most-favored-nation rule, by granting a particular concession to a country desiring the same unless that country admits the goods in question with equal freedom from all other countries which would receive the benefit of our concessions. This will make it unnecessary for the United States to absorb an excessive portion of Asiatic goods resulting from the more favorable tariff treatment granted by the United States where Europe refuses to admit such low-cost goods on equal terms.

11d. Clerical change.

12. Under present law the President must report his reasons to Congress whenever he reduces a tariff below the peril point found by the Tariff Commission (i.e., below the level to which duties can be reduced without causing or threatening serious injury to the domestic industry, agriculture or workers). The bill eliminates both peril point findings and the related duty for in-

forming Congress when the peril point is exceeded. Amendment 6 restores the peril point procedure, and this amendment 12 reinstates the President's duty to report to Congress whenever he exceeds the limit on duty changes which the Commission finds under the policies set forth in the legislation.

13 a and b. The bill provides for an interagency committee similar to the Trade Policy Committee created by Executive Order No. 10741. The Secretary of Commerce is chairman of that committee. The President advised the Ways and Means Committee that he intends to retain the Secretary of Commerce as chairman (H. Rept. No. 1818, p. 19). Yet the bill would permit some other Cabinet officer to be named as chairman. In keeping with the statement of Chairman MILLS during debate in the House that "It is not the intention of your committee * * * that the State Department run this show" (CONGRESSIONAL RECORD June 28, 1962, p. 11150), amendment 13b specifies that the Secretary of Commerce is to be the chairman of the interagency trade organization. Since amendment 34 strikes chapter 4 of title III from the bill, the reference to that chapter in the description of the functions of the interagency trade organization is deleted by amendment 13a.

14. This amendment, in harmony with amendments 16a through 16e, makes it clear that the entire procedure for giving business, agriculture, and labor organizations the right to be heard on restrictions placed by other countries on U.S. exports which violate trade agreement commitments of such nations shall not be qualified by administrative discretion. Hence, this amendment requires the interagency trade organization to advise the President of the results of such a hearing without regard to whether the restrictive practices which violate our trade agreement rights are, in the opinion of the organization, justifiable or not.

15. In 1958 the Ways and Means Committee amended the trade agreements law to specify that during the course of negotiating a trade agreement the President "should seek information and advice with respect to such agreement from representatives of industry, agriculture, and labor." The committee's report emphasized that "competent, representative, and diversified opinion" should thus be provided "in all major negotiations" stressing that the "advice of such informed persons representative of industry, agriculture, and labor" should be of "great benefit in assuring the adoption of sound positions by the United States." H. Rept. No. 1761, 85th Cong., p. 6).

State Department Press Release No. 642 of November 15, 1960, announced that there would be 12 public advisers at Geneva and a substantial number of private citizens available at Washington as consultants on questions arising in the course of the Geneva negotiations. Apparently with the change in administrations in early 1961 this program was not fully executed. White House press release of March 9, 1962, sets forth a statement by 8 of the 12 so-called public advisers to the U.S. delegation to the Geneva Tariff Conference. It consisted primarily of an endorsement of the administration's trade bill. The membership included representatives of only three industries, coal, lumber, and aluminum. They were obviously not competent to provide information and advice on the chemicals, machinery, electrical goods, glassware, autos, scientific instruments, clocks, metal manufactures, wines, books, sundries, etc., on which the United States granted concessions.

This amendment makes it clear that information and advice pertaining to their products is to be sought during the course of negotiations from representatives of each particular sector of industry, agriculture, or labor whose products are placed into negotiations. This conforms to the original intent of the 1958 provision, and to common sense. If the Congress means what it says, that the President should seek advice from industry during the course of negotiating a trade agreement so as to arrive at sound positions, it is obviously necessary that the advice be sought from industry sources with specific knowledge of the products being negotiated. The amendment is directed to this end.

16a, b, c, d, and e. Present law has two provisions which require and give the President the means for action to counteract discrimination by foreign countries of U.S. exports; namely, section 338 and 350(a)(5) of the Tariff Act of 1930, as amended. Both have been a dead letter in the law as they have rarely, if ever, been invoked. H.R. 11970 repeals one of them, section 350(a)(5).

Discriminations and nontariff restrictions against U.S. exports are widely practiced. The printed hearings report of the Ways and Means Committee contains a tabulation and listing of those imposed by the Common Market countries, prepared by the executive department, occupying 117 pages. A narrative description of such restrictions practiced in these and other foreign countries against U.S. exports occupies 66 additional pages of the printed hearings. The Ways and Means Committee adopted an amendment to the bill which requires the President to act to secure the elimination of such restrictions without granting new tariff concessions in doing so. He is directed (as in present law) to withdraw the benefit of past concessions from offending countries. The interagency trade organization is required to hear persons with complaints about such restrictions.

To a great extent this provision, section 252, parallels existing law. Unfortunately, the executive department, which has rarely acted to counter discriminations against our trade, was unwilling to accept the amendment without qualifying words which would leave the matter of action entirely to the discretion of the interagency trade organization, or the President. These amendments, 16a through 16e, are directed to striking out these qualifying words and phrases so that the section sets forth clearly and unmistakably the intention that we do not tolerate nullification of our trade agreement rights by beneficiaries of our concessions.

17a. This amendment is keyed to the exceptional nature of the authority to eliminate duties in negotiation with the European Economic Community under section 211 of the bill. This power exists only if the United States and the European Economic Community account for 80 percent of world trade in the categories under consideration. If that factual prerequisite does not exist, the power does not. So, too, if the factual basis of the authority ceases to exist after the power is used to grant concessions to the EEC, the concessions should be terminated at the first terminal point specified in the agreement. The amendment so provides.

17b. Under proposed amendments 11a and 11c, the United States would grant particular concessions only if the recipient made a commitment to admit (1) U.S. exports and (2) exports from other countries (such as Japan and India) on terms no less liberal than the United States was agreeing to admit such goods under the concession and the most-favored-nation rule. Since the commitment is a prerequisite to the grant of a U.S. concession, the violation of the commitment should be the occasion for withdrawing the concession. The amendment provides for this.

18. One of the basic purposes of the proposed group of amendments is to restore the traditional safeguards which Congress has enacted into law during the three extensions of the trade agreements program during the 1950's. In harmony with this purpose, amendment 18 deletes the references in H.R. 11970 which would repeal the present escape-clause procedure, and the statement of policy which complements it.

19. This amendment deletes a provision of the bill which would have converted pending escape-clause actions into investigations under the new and weaker criteria of the bill. Since these proposed amendments reinstate the existing escape clause, the carryover provision of the bill is unnecessary. Hence, it is deleted by this amendment.

20. This amendment provides that domestic industries shall apply for tariff adjustment under the existing escape-clause procedure (sec. 7 of the Trade Agreements Extension Act of 1951, as amended), while firms and workers are permitted, as under the bill, to apply for special adjustment assistance under the procedures set out in title III of the bill (which would be considerably revised by other proposed amendments, discussed hereafter).

21. The bill seriously weakens the escape clause by requiring the increased imports of an article which cause injury to result solely from the concession granted on that article. This will result from the omission from the bill of the words "in part" now in the law. This action is inconsistent with the Ways and Means Committee's statement in 1958 that the Tariff Commission "is warranted in considering that, when increased imports of a product on which a concession has been granted cause serious injury, there is sufficient evidence that the level of the existing duty reflecting the concession contributes, in part at least, to such increased imports." Those views were valid in 1958 and are valid today. This amendment restores the words "in part" in harmony with the existing law.

The present law recognizes that an increase of imports relative to domestic production of an article may seriously injure an industry. This was added to the law by the Senate Finance Committee in 1955. In a recession if production drops, imports may remain at a constant and high level and thus injure the domestic industry. The bill eliminates the relative increase of imports as an actionable factor. This amendment would restore that feature of present law to the bill.

22. This amendment strikes the new criteria of injury set forth in the bill and directs the Tariff Commission in lieu thereof to proceed under the provisions of the escape clause criteria of present law. Present law focuses the Commission's investigation on the particular segment of the industry, and the particular part of the operation of the firms in the industry, directly involved in producing the articles in question. Under the language of the bill, and the committee's remarks on the subject in its report (H. Rept. No. 1818, p. 23), the Commission must consider the effect of imports of a particular article on the overall operations of the establishment in the industry.

It is unlikely that imports of one article could have the effect which the bill sets out as the test for relief, of bringing the multiproduct, multiestablishment firms of an industry producing the article to the condition where there is idling of productive facilities, inability to operate at a profit, and unemployment or underemployment of workers throughout the entire industry, viewed in its broadest sense. The committee's report, by requiring this combination of events, which collectively are the hallmark of bankruptcy and economic disaster (far beyond "serious injury"), to be the principal test (H. Rept. No. 1818, p. 38), foreordains that findings of "injury" will be few and far between.

23 a, b; and 25 a, b. The bill would require the Tariff Commission in the course of an investigation of serious injury to an industry to determine whether serious in-

jury is being caused to individual firms or groups of workers. These amendments separate these latter procedures so that the Commission will make a determination of injury to firms or groups of workers only when they have petitioned the Commission to do so, and not as part of an industry case.

These amendments have the effect of providing that in investigations of import injury to firms and groups of workers, increased imports which result in part from trade agreement concessions, and which are either actually or relatively an increase, permit an affirmative finding by the Tariff Commission. These changes are consistent with amendment 21 pertaining to investigations of injury to domestic industries, which in turn are in accord with present law.

24. The bill specifies that the severe criteria of injury which it proposes for industry escape clause use shall also be used in determining import injury to firms. This amendment deletes these new factors, so that the words "serious injury" which remain would be construed in the light of the factors contained in the present escape clause law, reinstated to this bill by amendments 18, 20, and 22.

26 and 6 (par. (2)). There is widespread dissatisfaction with the quality of administration which the escape clause has received. The law itself is sound in concept, but reform in administration is needed at both the Presidential and Tariff Commission level. The former is addressed by amendment 28, discused later. The latter can be accomplished by specifying in the law with particularity the indicia of injury which when present in a case require a finding of serious injury. Amendment 26 specifies the combination of events which identify serious import injury.

Since the peril point and escape clause are based on the prospective and retrospective determination of the same ultimate fact, serious injury from imports, the amendment described above to the escape clause is also appropriate for the peril point procedure. Amendment 6 (par. (2)) accomplishes this, as previously explained in the discussion of that amendment.

27. Clerical change.

28a and 28b. Amendment 28a requires the President in an industry case to proceed under the existing escape clause law and eliminates adjustment assistance to individual firms and groups of workers as alternatives to action to regulate imports in cases in which the Tariff Commission finds a domestic industry to have been seriously injured by increased imports. These amendments give the President the choice of approving the Commission's recommendations for import adjustment by withdrawing tariff concessions or imposing quotas, or, of taking no action and explaining to Congress so that it may place the Tariff Commission's recommendations into effect on its own responsibility if it chooses to do so.

Under present law Congress may put in force a Tariff Commission recommendation for withdrawal of tariff concessions or imposition of import quotas by a two-thirds vote of each House within 60 days of a Presidential turndown. The procedure specified gives the resolution introduced privileged status so that it may be brought to the floor of each House for a vote if the cognizant committees fail to act promptly. The bill would change the procedure by (1) requiring the approval of a constitutional majority of each House, and (2) discarding the privileged status of the resolution. Amendment 28b would change the vote to a majority of the yeas and nays (less than a constitutional majority) and retain the privileged status of the resolution so committee inaction could not frustrate letting the Members of each House work their will on the recommended import adjustment. This strengthens congressional oversight of Presidential action and is consistent with the constitutional responsibility of the Congress under article I, section 8.

29 a and b; 31. Clerical changes.

30 and 32. These amendments are needed to make these sections consistent with the earlier amendments of the adjustment assistance provisions of the bill which emphasize that the remedy for individual firms and groups of workers is separate and distinct from, and not connected with or dependent upon determinations of injury to industries.

33. This amendment eliminates the requirement for an adjustment proposal by a firm certified for adjustment assistance, provides for priority assistance under the existing Area Redevelopment Act, and eliminates the special loans and tax relief offered by the bill. It is the purpose of this amendment to make the benefits of the Area Redevelopment Act available to a firm injured by imports under circumstances where the industry of which the firm is a part had not been affected to the extent required for a finding of injury under the escape clause. Such a firm might be located in an area not otherwise eligible for the benefits provided in the Area Redevelopment Act. This amendment would allow the Secretary of Commerce, upon a finding of injury to the firm by the Tariff Commission and certification of the case to the Secretary by the President, to treat the location of the firm's affected plant or plants as a redevelopment area for the purpose of making that firm eligible for assistance under that act.

34. This amendment eliminates the special Federal standards of unemployment compensation (both as to duration and amount) offered by the bill to workers displaced by imports. It provides a simple procedure by which groups of workers certified by the President after a Tariff Commission finding of import injury to the group, may apply to the Secretary of Labor for priority consideration of the benefits offered by the existing Manpower Development and Training Act.

35. This amendment strengthens the bill from a constitutional point of view by requiring the key determinations of the President putting into use the delegated authority to be based on findings of fact that the the conditions specified by the Congress for such use have been met. It is not unreasonable to require the President's findings to rest upon evidence contained in the record of the investigation which precedes his actions. The amendment so provides.

36. This amendment completes the requirements for publication of reports and findings specified by the bill as prerequisites for Presidential action. The requirement for publication traditionally improves the quality of the record and the findings, and in itself strengthens the possibility that the delegated power will be used within the limits intended by Congress.

37. The United States has a high level of structural unemployment and a lagging rate of growth. If the unprecedented duty eliminations and reductions authorized by the bill are used in such a manner as to stimulate excessive imports of manufactured articles when the effect is to harm the rate of growth of those U.S. industries with an above-average rate of growth or growth potential, the economy could be harmed out of all proportion to the volume of imports itself. Accordingly, this amendmnet adds concepts to the peril point and escape clause remedies which will (a) inform the President whenever tariff reductions would impair or have impaired the rate of growth of innovating, employment-creating industries, and (2) empower him to reserve the products of those industries from negotiations if impairment would occur and to withdraw past concessions if impairment has already occurred.

EXHIBIT 3

[87th Cong., 2d sess.]

H.R. 11970

[Omit the part in black brackets and insert the part printed in italic]

An act to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—SHORT TITLE AND PURPOSES

SEC. 101. SHORT TITLE.

This Act may be cited as the "Trade Expansion Act of 1962".

SEC. 102. STATEMENT OF PURPOSES.

The purposes of this Act are, through trade agreements affording mutual benefits—

(1) to stimulate the economic growth of the United States and maintain and enlarge foreign markets for the products of United States agriculture, industry, mining, and commerce;

(2) to strengthen economic relations with foreign countries through the development of open and nondiscriminatory trading in the free world;

(3) to assist in the progress of countries in the earlier stages of economic development; and

(4) to prevent Communist economic penetration.

TITLE II—TRADE AGREEMENTS

Chapter 1—General authority

SEC. 201. BASIC AUTHORITY FOR TRADE AGREEMENTS.

(a) Whenever the President determines that any existing duties or other import restrictions of any foreign country or the United States are unduly burdening and restricting the foreign trade of the United States and that [any of the] *the first purpose together with any of the other* purposes stated in section 102 will be promoted thereby, the President may—

(1) after June 30, 1962, and before July 1, 1967, enter into trade agreements with foreign countries or instrumentalities thereof; and

(2) proclaim such modification or continuance of any existing duty or other import restriction, such continuance of existing duty-free or excise treatment, or such additional import restrictions, as he determines to be required or appropriate to carry out any such trade agreement.

(b) Except as otherwise provided in this title, no proclamation pursuant to subsection (a) shall be made—

(1) decreasing any rate of duty to a rate below 50 percent of the rate existing on July 1, 1962; or

(2) increasing any rate of duty to (or imposing) a rate more than 50 percent above the rate existing on July 1, 1934.

[SEC. 202. LOW-RATE ARTICLES.

[Section 201(b)(1) shall not apply in the case of any article for which the rate of duty existing on July 1, 1962, is not more than 5 percent ad valorem (or ad valorem equivalent). In the case of an article subject to more than one rate of duty, the preceding sentence shall be applied by taking into account the aggregate of such rates.]

Chapter 2—Special provisions concerning European Economic Community

SEC. 211. IN GENERAL.

(a) In the case of any trade agreement with the European Economic Community, section 201(b)(1) shall not apply to articles in any category if, before entering into such trade agreement, the President determines with respect to such category that the

United States and all countries of the European Economic Community together accounted for 80 percent or more of the aggregated world export value of all the articles in such category *and that the United States accounted for 25 percent or more of such value.*

(b) For purposes of subsection (a)—

(1) As soon as practicable after the date of the enactment of this Act, the President shall—

(A) after taking into account the availability of trade statistics, select a system of comprehensive classification of articles by category, and

(B) make public his selection of such system.

(2) As soon as practicable after the President has selected a system pursuant to paragraph (1), the Tariff Commission shall—

(A) determine the articles falling within each category of such system, and

(B) make public its determinations *and modifications thereof.*

The determination of the Tariff Commission as to the articles included in any category may be modified only by the Tariff Commission. [Such modification by the Tariff Commission may be made only for the purpose of correction, and may be made only before the date on which the first list of articles specifying this section is furnished by the President to the Tariff Commission pursuant to section 221.] *Such modification by the Tariff Commission shall be made (i) for the purpose of correction (in which event it must be made before the date on which the first list of articles specifying this section is furnished by the President to the Tariff Commission pursuant to section 221), or (ii) for the purpose of excluding articles on which the Commission finds in its investigation under section 221(b) that a reduction in duties below the limit specified in section 201(b)(1) would cause or threaten serious injury to the domestic industry, sector of agriculture, or workers producing like or directly competitive articles.*

(c) For the purpose of making a determination under subsection (a) with respect to any category—

(1) The determination of the countries of the European Economic Community shall be made as of the date of the request under subsection (d).

(2) The President shall determine "aggregated world export value" with respect to any category of articles—

(A) on the basis of a period which he determines to be representative for such category, which period shall be included in the most recent 5-year period before the date of the request under subsection (d) for which statistics are available and shall contain at least 2 one-year periods,

(B) on the basis of the dollar value of exports as shown by trade statistics [in use] *made public* by the Department of Commerce, and

(C) by excluding exports—

(i) from any country of the European Economic Community to another such country, [and]

(ii) to or from any country or area which, at any time during the representative period, was denied trade agreement benefits under section 231 or under section 5 of the Trade Agreements Extension Act of 1951[.], *and*

(iii) for which payment is not made nor undertaken to be made in the currency of the exporting nation on a commercial basis.

(d) Before the President makes a determination under subsection (a) with respect to any category, the Tariff Commission shall (upon request of the President) make findings as to—

(1) the representative period for such category,

(2) the aggregated world export value of the articles falling within such category, and

(3) the percentage of the aggregated world export value of such articles accounted for by the United States and the countries of the European Economic Community,

and shall advise the President of such findings, *and make them public.*

(e) The exception to section 201(b)(1) provided by subsection (a) shall not apply to any article referred to in Agricultural Handbook No. 143, United States Department of Agriculture, as issued in September 1959, *or to any article as to which the Tariff Commission finds in its investigation under section 221(b) that a reduction in duties below the limit specified in section 201(b)(1) would cause or threaten serious injury to the domestic industry, sector of agriculture, or workers producing like or directly competitive articles.*

SEC. 212. AGRICULTURAL COMMODITIES.

In the case of any trade agreement with the European Economic Community, section 201(b)(1) shall not apply to any article referred to in Agricultural Handbook No. 143, United States Department of Agriculture, as issued in September 1959, if before entering into such agreement the President determines that such agreement will tend to assure the maintenance or expansion of United States exports of the like article.

SEC. 213. TROPICAL AGRICULTURAL AND FORESTRY COMMODITIES.

(a) Section 2101(b)(1) shall not apply to any article if, before entering into the trade agreement covering such article, the President determines that—

(1) such article is a tropical agricultural or forestry commodity;

(2) the like article is not produced in significant quantities in the United States; [and]

(3) such article is not directly competitive with an article produced in significant quantities in the United States; and

[3](4) the European Economic Community has made a commitment with respect to duties or other import restrictions which is likely to assure access for such article to the markets of the European Economic Community which—

(A) is comparable to the access which such article will have to the markets of the United States, and

(B) will be afforded substantially without differential treatment as among free world countries of origin.

(b) For purposes of subsection (a), a "tropical agricultural or forestry commodity" is an agricultural or forestry commodity with respect to which the President determines that more than one-half of the world production is in the area of the world between 20 degrees north latitude and 20 degrees south latitude.

(c) Before the President makes a determination under subsection (a) with respect to any article, the Tariff Commission shall (upon request of the President) make findings as to—

(1) whether or not such article is an agricultural or forestry commodity more than one-half of the world production of which is in the area of the world between 20 degrees north latitude and 20 degrees south latitude, [and]

(2) whether or not the like article is produced in significant quantities in the United States, *and*

(3) whether or not such article is directly competitive with an article produced in significant quantity in the United States,

and shall advise the President of such findings.

Chapter 3—Requirements concerning negotiations

SEC. 221. TARIFF COMMISSION ADVICE.

(a) In connection with any proposed trade agreement under this title, the President shall from time to time publish and furnish the Tariff Commission with lists of articles which may be considered for modification or continuance of United States duties or other import restrictions, or continuance of United States duty-free or excise treatment. In the case of any article with respect to which consideration may be given to reducing the rate of duty below the 50 percent limitation contained in section 201(b)(1), the list shall specify the section or sections of this title pursuant to which such consideration may be given.

[(b) Within 6 months after receipt of such a list, the Tariff Commission shall advise the President with respect to each article of its judgment as to the probable economic effect of modifications of duties or other import restrictions on industries producing like or directly competitive articles. In the course of preparing such advice, the Tariff Commission shall, after reasonable notice, hold public hearings.]

(b) (1) Upon receipt of such list, the Commission shall make an investigation and report to the President its findings with respect to each such article as to—

(A) the limit to which such modification or continuance may be extended without causing or threatening serious injury to the domestic industry, sector of agriculture, or workers producing like or directly competitive articles; and

(B) if increases in duties or additional import restrictions are required to avoid serious injury to the domestic industry, sector of agriculture, or workers producing like or directly competitive articles, the minimum increases in duties or additional import restrictions required.

Such report shall be made by the Commission to the President not later than 6 months after the receipt of such a list by the Commission.

(2) If in the course of any such investigation the Commission shall determine that a modification of duties or other import restrictions, or the continuance of existing customs or excise treatment, applicable to any imported article would likely result in (A) a significant decline in the share of the domestic market supplied by domestic products in relation to a representative base period (taking into account a decline in order bookings of domestic industries producing articles requiring a long leadtime in production), and (B) either—

(i) a significant decline in the net earnings of the domestic industry producing such products, or

(ii) a decline in employment, a loss of wages due to shortened work periods, or a decline in wage rates in such domestic industry,

the Commission shall make a finding that such modification of duties and other import restrictions, or continuance of existing customs or excise treatment, cannot be made without causing or threatening serious injury to the domestic industry producing like or directly competitive articles.

(3) In the course of any investigation pursuant to this section the Commission shall hold hearings and give reasonable public notice thereof, and shall afford reasonable opportunity for parties interested to be present, to produce evidence, and to be heard at such hearings.

SEC. 222. ADVICE FROM DEPARTMENTS.

Before any trade agreement is entered into under this title, the President shall seek information and advice with respect to such agreement from the Departments of Agriculture, Commerce, Defense, Interior, Labor, State, and Treasury, and from such other sources as he may deem appropriate.

SEC. 223. PUBLIC HEARINGS.

In connection with any proposed trade agreement under this title, the President

shall afford an opportunity for any interested person to present his views concerning any article on a list published pursuant to section 221, any article which should be so listed, any concession which should be sought by the United States, or any other matter relevant to such proposed trade agreement. For this purpose, the President shall designate an agency or an interagency committee which shall, after reasonable notice, hold public hearings, shall prescribe regulations governing the conduct of such hearings, and shall furnish the President with a summary of such hearings.

SEC. 224. PREREQUISITE FOR OFFERS.

The President may make an offer for, *or grant a concession consisting of,* the modification or continuance of any duty or other import restriction, or continuance of duty-free or excise treatment, with respect to any article only after he has received advice concerning such article from the Tariff Commission under section 221(b), or after the expiration of the relevant 6-month period provided for in that section, whichever first occurs, and only after the President has received a summary of the hearings at which an opportunity to be heard with respect to such article has been afforded under section 223.

SEC. 225. RESERVATION OF ARTICLES FROM NEGOTIATIONS.

(a) While there is in effect with respect to any article any action taken under—

(1) section 232, [or 351,]

(2) section 2(b) of the Act entitled "An Act to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended", approved July 1, 1954 (19 U.S.C., sec. 1352a), or

(3) section 7 of the Trade Agreements Extension Act of 1951 (19 U.S.C., sec. 1364),

the President shall reserve such article from negotiations under this title for the reduction of any duty or other import restriction or the elimination of any duty.

(b) [During the 4-year period which begins on the date of the enactment of this Act, the President shall reserve] *The President shall also reserve* an article (other than an article which, on the date of the enactment of this Act, was described in subsection (a)(3)) from negotiation under this title for the reduction of any duty or other import restriction or the elimination of any duty where—

(1) pursuant to section 7 of the Trade Agreements Extension Act of 1951 (or pursuant to a comparable Executive Order), the Tariff Commission found by a majority of the Commissioners voting that such article was being imported in such increased quantities as to cause or threaten serious injury to an industry,

(2) such article is included in a list furnished to the Tariff Commission pursuant to section 221 (and has not been included in a prior list so furnished), and

(3) upon request on behalf of the industry, made not later than 60 days after the date of the publication of such list, the Tariff Commission finds and advises the President that economic conditions in such industry have not substantially improved since the date of the report of the finding referred to in paragraph (1).

(c) In addition to the articles described by subsections (a) and (b), the President shall also so reserve any other article which he determines to be appropriate, taking into consideration the *findings* of the Tariff Commission under section 221(b), any advice furnished to him under section 222, and the summary furnished to him under section 223.

SEC. 226. ESSENTIAL CONDITIONS FOR GRANTING CONCESSIONS.

(a) *The President shall not proclaim any modification of existing duties or other important restrictions, or a continuance of existing customs or excise treatment of any article covered by a trade agreement entered into under this Act, unless he finds as a fact that the countries of the European Economic Community which are parties to such agreement and would by the terms of such agreement receive the benefits of such modifications or continuance have, except as otherwise permitted by the terms of such agreement, committed themselves to admit like articles exported from the United States on terms and conditions no less favorable than those which would be applicable to their exports of such articles when imported into the United States if the President were to proclaim the modification or continuance provided for in such foreign trade agreement.*

(b) *In the course of negotiating a trade agreement, the President shall not make an offer, or grant in whole or in part a request, for the modification or continuance of duty-free or excise treatment with respect to any article, unless the country or instrumentality to which such offer is made, or which requests the modification or continuance, is the principal supplier of such articles in world export trade (not including the exports of the United States) as shown by the value of the exports of such article by such country or instrumentality in relation to the total world export value of such article (excluding the value of United States exports) during the most recent two-year period preceding the negotiations for which data is available.*

(c) *The President shall not proclaim any modification of existing duties or other import restrictions, or a continuance of existing customs or excise treatment of any article covered by a trade agreement, unless he finds as a fact that the foreign countries which are parties to such agreement and would by the terms of such agreement receive the benefit of such modification or continuance have committed themselves to admit like articles exported from countries other than the United States and other than those countries referred to in section 231 free from quantitative and other nontariff restrictions and subject to duties and other charges no greater than those which would be applicable to such articles when imported into the United States if the President were to proclaim the modification or continuance provided for in such trade agreement.*

SEC. [227,] TRANSMISSION OF AGREEMENTS TO CONGRESS.

The President shall transmit promptly to each House of Congress a copy of each trade agreement entered into under [this title, together with a statement, in the light of the advice of the Tariff Commision under section 221(b) and of other relevant considerations, of his reasons for entering into the agreement.] *this title, together with a statement accurately identifying any article with respect to which the limits or minimum requirements found and reported by the Tariff Commission under sections 221(b) and 408(c) are not complied with, and stating his reasons for the action taken with respect to each such article.*

Chapter 4—National security

SEC. 231. PRODUCTS OF COMMUNIST COUNTRIES OR AREAS.

The President shall, as soon as practicable, suspend, withdraw, or prevent the application of the reduction, elimination, or continuance of any existing duty or other import restriction, or the continuance of any existing duty-free or excise treatment, proclaimed in carry out any trade agreement under this title or under section 350 of the Tariff Act of 1930, to products, whether imported directly or indirectly, of any country or area dominated or controlled by Communism.

SEC. 232. SAFEGUARDING NATIONAL SECURITY.

(a) No action shall be taken pursuant to section 201 (a) or pursuant to section 350 of the Tariff Act of 1930 to decrease or eliminate the duty or other import restriction on any article if the President determines that such reduction or elimination would threaten to impair the national security.

(b) Upon request of the head of any department or agency, upon application of an interested party, or upon his own motion, the Director of the Office of Emergency Planning (hereinafter in this section referred to as the "Director") shall immediately make an appropriate investigation, in the course of which he shall seek information and advice from other appropriate departments and agencies, to determine the effects on the national security of imports of the article which is the subject of such request, application, or motion. If, as a result of such investigation, the Director is of the opinion that the said article is being imported into the United States in such quantities or under such circumstances as to threaten to impair the national security, he shall promptly so advise the President, and, unless the President determines that the article is not being imported into the United States in such quantities or under such circumstances as to threaten to impair the national security as set forth in this section, he shall take such action, and for such time, as he deems necessary to adjust the imports of such article and its derivatives so that such imports will not so threaten to impair the national security.

(c) For the purposes of this section, the Director and the President shall, in the light of the requirements of national security and without excluding other relevant factors, give consideration to domestic production needed for projected national defense requirements, the capacity of domestic industries to meet such requirements, existing and anticipated availabilities of the human resources, products, raw materials, and other supplies and services essential to the national defense, the requirements of growth of such industries and such supplies and services including the investment, exploration, and development necessary to assure such growth, and the importation of goods in terms of their quantities, availabilities, character, and use as those affect such industries and the capacity of the United States to meet national security requirements. In the administration of this section, the Director and the President shall further recognize the close relation of the economic welfare of the Nation to our national security, and shall take into consideration the impact of foreign competition on the economic welfare of individual domestic industries; and any substantial unemployment, decrease in revenues of government, loss of skills or investment, or other serious effects resulting from the displacement of any domestic products by excessive imports shall be considered, without excluding other factors, in determining whether such weakening of our internal economy may impair the national security.

(d) A report shall be made and published upon the disposition of each request, application, or motion under subsection (b). The Director shall publish procedural regulations to give effect to the authority conferred on him by subsection (b).

Chapter 5—Administrative provisions

SEC. 241. SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS.

(a) The President shall appoint, by and with the advice and consent of the Senate, a Special Representative for Trade Negotiations, who shall be the chief representative of the United States for each negotiation under this title and for such other negotiations as in the President's judgment require that the Special Representative be the chief

representative of the United States. The Special Representative for Trade Negotiations shall hold office at the pleasure of the President, shall be entitled to receive the same compensation and allowances as a chief of mission, shall have the rank of ambassador extraordinary and plenipotentiary, and shall be an ex-officio member of the organization established pursuant to section 242(a).

(b) The Special Representative for Trade Negotiations shall, in the performance of his functions under subsection (a), seek information and advice with respect to each negotiation from representatives of industry, agriculture, and labor, and from such agencies of the United States as he deems appropriate.

SEC. 242. INTERAGENCY TRADE ORGANIZATION.

(a) The President shall establish an interagency organization to assist him in carrying out the functions vested in him by this title [and chapter 4 of title III]. Such organization shall have as its chairman [a Cabinet officer selected by the President] *the Secretary of Commerce,* and shall be composed of the heads of such departments and of such other officers as the President shall designate. It shall meet periodically at such times and with respect to such matters as the President or the chairman of the organization shall direct. The organization may invite the participation in its activities of any agency not represented in the organization when matters of interest to such agency are under consideration.

(b) In assisting the President, the organization shall—

(1) make recommendations to the President on basic policy issues arising in the administration of the trade agreements program,

(2) make recommendations to the President as to what action, if any, he should take on reports with respect to tariff adjustment submitted to him by the Tariff Commission under section 301(e),

(3) advise the President of the results of hearings concerning [unjustifiable] foreign import restrictions held pursuant to section 252(c), and recommend appropriate action with respect thereto, and

(4) perform such other functions with respect to the trade agreements program as the President may from time to time designate.

(c) The organization shall, to the maximum extent practicable, draw upon the resources of the agencies represented in the organization, as well as such other agencies as it may determine, including the Tariff Commission. In addition, the President may establish by regulation such procedures and committees as he may determine to be necessary to enable the organization to provide for the conduct of hearings pursuant to section 252(c), and for the carrying out of other functions assigned to the organization pursuant to this section.

SEC. 243. CONGRESSIONAL DELEGATES TO NEGOTIATIONS.

Before each negotiation under this title, the President shall, upon the recommendation of the Speaker of the House of Representatives, select two members (not of the same political party) of the Committee on Ways and Means, and shall, upon the recommendation of the Speaker of the House of Representatives, select two members (not of the same political party) of the Committee on Finance, who shall be accredited as members of the United States delegation to such negotiation.

SEC. 244. PARTICIPATION BY INDUSTRY, AGRICULTURE, AND LABOR IN NEGOTIATIONS.

It is hereby declared to be the sense of the Congress that the President, during the course of negotiating any trade agreement, should seek information and advice with respect to each distinct and homogenous grouping of articles which is the subject of negotiations from the representatives of the domestic industry, agricultural sector, and labor producing the like or directly competitive articles.

Chapter 6—General provisions

SEC. 251. MOST-FAVORED-NATION PRINCIPLE.

Except as otherwise provided in this title, any duty or other import restriction or duty-free treatment proclaimed in carrying out any trade agreement under this title or section 350 of the Tariff Act of 1930 shall apply to products of all foreign countries, whether imported directly or indirectly.

SEC. 252. FOREIGN IMPORT RESTRICTIONS.

(a) Whether [unjustifiable] foreign import restrictions impair the value of tariff commitments made to the United States, oppress the commerce of the United States, or prevent the expansion of trade on a mutually advantageous basis, the President shall—

(1) take all appropriate and feasible steps within his power to eliminate such restrictions, and

(2) refrain from negotiating the reduction or elimination of any United States import restriction under section 201(a) in order to obtain the reduction or elimination of any such restrictions.

(b) Whenever a foreign country or instrumentality the products of which receive benefits of trade agreement concessions made by the United States—

(1) maintains nontariff trade restrictions, including [unlimited] variable import fees, which substantially burden United States commerce in a manner inconsistent with provisions of trade agreements, or

(2) engages in discriminatory or other acts (including tolerance of international cartels) or policies [unjustifiably] restricting United States commerce,

the President shall, [to the extent that such action is consistent with the purposes of section 102—]

(A) suspend, withdraw, or prevent the application of benefits of trade agreements concessions to products of such country or instrumentality, or

(B) refrain from proclaiming benefits of trade agreement concessions to carry out a trade agreement with such country or instrumentality.

(c) The President shall provide an opportunity for the presentation of views concerning [unjustifiable] foreign import restrictions maintained against United States commerce. Upon request by any interested person, the President shall, through the organization established pursuant to section 242(a), provide for appropriate public hearings with respect to such restrictions after reasonable notice and provide for the issuance of regulations concerning the conduct of such hearings.

SEC. 253. STAGING REQUIREMENTS.

(a) Except as otherwise provided in this section and in section 254, the aggregate reduction in the rate of duty on any article which is in effect on any day pursuant to a trade agreement under this title shall not exceed the aggregate reduction which would have been in effect on such day if—

(1) one-fifth of the total reduction under such agreement for such article had taken effect on the date of the first proclamation pursuant to section 201(a) to carry out such trade agreement, and

(2) the remaining four-fifths of such total reduction had taken effect in four equal installments at 1-year intervals after the date referred to in paragraph (1).

(b) Subsection (a) shall not apply to any article with respect to which the President has made a determination under section 213(a).

(c) In the case of an article the rate of duty on which has been or is to be reduced pursuant to a prior trade agreement, no reduction shall take effect pursuant to a trade agreement entered into under section 201(a) before the expiration of 1 year after the taking effect of the final reduction pursuant to such prior agreement.

(d) If any part of a reduction takes effect, then any time thereafter during which such part of the reduction is not in effect by reason of legislation of the United States or action thereunder shall be excluded in determining—

(1) the 1-year intervals referred to in subsection (a)(2), and

(2) the expiration of the 1 year referred to in subsection (c).

SEC. 254. ROUNDING AUTHORITY

If the President determines that such action will simplify the computation of the amount of duty imposed with respect to an article, he may exceed the limitation provided by section 201(b)(1) or 253 by not more than whichever of the following is lesser:

(1) the difference between the limitation and the next lower whole number, or

(2) one-half of 1 percent ad valorem or an amount the ad valorem equivalent of which is one-half of 1 percent.

SEC. 255. TERMINATION.

(a) Every trade agreement entered into under this title shall be subject to termination or withdrawal, upon due notice, at the end of a period specified in the agreement. Such period shall be not more than 3 years from the date on which the agreement becomes effective. If the agreement is not terminated or withdrawn from at the end of the period so specified, it shall be subject to termination or withdrawal thereafter upon not more than 6 months' notice.

(b) The President may at any time terminate, in whole or in part, any proclamation made under this title.

(c) The President shall, at the end of the period specified in any trade agreement, terminate, by appropriate modifications of the proclamation which made it effective, any concessions granted by the United States to the European Economic Community under the authority of section 211, if he determines, under the criteria of that section, with reference to the most recent two-year period for which data is available, either (1) that the United States exports did not account for at least 25 percent of the aggregated world export value of the articles in the category covered by the concession or (2) that the United States and the European Economic Community together did not account for 80 percent or more of such value during such period.

(d) Whenever any foreign country, party to a trade agreement entered into under this Act, suspends, withdraws, or otherwise abrogates a commitment referred to in subsection (a) or (c) of section 226, in violation of the provisions of trade agreements, the President shall forthwith notify such country of the intention of the United States to terminate the concession or concessions granted by the United States in reliance on such commitment. If the foreign country after such notification fails promptly to restore the commitment into full force and effect, the President shall forthwith terminate such concession or concessions by appropriate modification of the proclamation which made it or them effective.

SEC. 256. DEFINITIONS.

For purposes of this title—

(1) The term "European Economic Community" means the instrumentality known by such name or any successor thereto.

(2) The countries of the European Economic Community as of any date shall be those countries which on such date are agreed

to achieve a common external tariff through the European Economic Community.

(3) The term "agreement with the European Economic Community" means an agreemen to which the United States and all countries of the European Economic Community (determined as of the date such agreement is entered into) are parties. For purposes of the preceding sentence, each country for which the European Economic Community signs an agreement shall be treated as a party to such agreement.

(4) The term "existing on July 1, 1962", as applied to a rate of duty, refers to the lowest nonpreferential rate of duty (however established, and even though temporarily suspended by Act of Congress or otherwise) existing on such date or (if lower) the lowest nonpreferential rate to which the United States is committed on such date and which may be proclaimed under section 350 of the Tariff Act of 1930.

(5) The term "existing on July 1, 1934", as applied to a rate of duty, refers to the rate of duty (however established, and even though temporarily suspended by Act of Congress or otherwise) existing on such date.

(6) The term "existing" without the specification of any date, when used with respect to any matter relating to entering into, or any proclamation to carry out, a trade agreement, means existing on the day on which such trade agreement is entered into.

(7) The term "ad valorem equivalent" means the ad valorem equivalent of a specific rate or, in the case of a combination of rates including a specific rate, the sum of the ad valorem equivalent of the specific rate and of the ad valorem rate. The ad valorem equivalent shall be determined by the President on the basis of the value of imports of the article concerned during a period determined by him to be representative. In determining the value of imports, the President shall utilize, to the maximum extent practicable, the standards of valuation contained in section 402 or 402a of the Tariff Act of 1930 (19 U.S.C., sec. 1401a or 1402) applicable to the article concerned during such representative period.

SEC. 257. RELATION TO OTHER LAWS.

(a) The first sentence of subsection (b) of section 350 of the Tariff Act of 1930 is amended by striking out "this section" each place it appears and inserting in lieu thereof "this section or the Trade Expansion Act of 1962". The second sentence of such subsection (b) is amended by striking out "this Act" and inserting in lieu thereof "this Act or the Trade Expansion Act of 1962". The third sentence of such subsection (b) is amended by striking out "1955," in paragraph (2) and inserting in lieu thereof "1955, and before July 1, 1962," and by adding at the end thereof the following new paragraph:

"(3) In order to carry out a foreign trade agreement entered into after June 30, 1962, and before July 1, 1967, below the lowest rate permissible by applying title II of the Trade Expansion Act of 1962 to the rate of duty (however established, and even though temporarily suspended by Act of Congress or otherwise) existing on July 1, 1962, with respect to such product."

(b) Subsections (a) (5) and (e) of section 350 of the Tariff Act of 1930 are repealed.

(c) For purposes only of entering into trade agreemnts pursuant to the notices of intention to negotiate published in the Federal Register of May 28, 1960, and the Federal Register of November 23, 1960, the period during which the President is authorized to enter into foreign trade agreements under section 350 of the Tariff Act of 1930 is hereby extended from the close of June 30, 1962, until the close of December 31, 1962.

(d) The second and third sentences of section 2(a) of the Act entitled "An Act to amend the Tariff Act of 1930", approved June 12, 1934, as amended (19 U.S.C., sec. 1352(a)), are each amended by striking out "this Act" and inserting in lieu thereof "this Act or the Trade Expansion Act of 1962".

(e) (1) Sections 5 [6, 7,] and 8(a) of the Trade Agreements Extension Act of 1951 are repealed.

(2) Action taken by the President under section 5 of such Act and in effect on the date of the enactment of this Act shall be considered as having been taken by the President under section 231.

[(3) Any investigation by the Tariff Commission under section 7 of such Act which is in progress on the date of the enactment of this Act shall be continued under section 301 as if the application by the interested party were a petition under such section for tariff adjustment under section 351. For purposes of section 301(f), such petition shall be treated as having been filed on the date of the enactment of this Act.]

(f) Section 2 of the Act entitled "An Act to extend the authortiy of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended", approved July 1, 1954, is repealed. Any action (including any investigation begun) under such section 2 before the date of the enactment of this Act shall be considered as having been taken or begun under section 232.

TITLE III—TARIFF ADJUSTMENT AND OTHER ADJUSTMENT ASSISTANCE

Chapter 1—Eligibility for assistance

SEC. 301. TARIFF COMMISSION INVESTIGATIONS AND REPORTS.

(a) (1) [Petitions for tariff adjustment under section 351 or for determinations of eligibility to apply for adjustment assistance under chapter 2 or 3 may be filed with the Tariff Commission by firms, groups of workers, or industries.] *Petitions by domestic industries for import adjustment shall be filed with the Tariff Commission under section 7 of the Trade Agreements Extension Act of 1951, as amended (19 U.S.C., sec. 1364); and petitions by firms or groups of workers for determinations of eligibility to apply for adjustment assistance may be filed with the Tariff Commission under subsection (c) of this section.* In the case of a firm, such petition may be filed by the firm or its representative. In the case of a group of workers, such petition may be filed by the workers or by their certified or recognized union or other duly authorized representative. In the case of an industry, such petition may be filed by a trade association, firm, certified or recognized union, or other representative.

(2) Whenever a petition is filed under this subsection, the Tariff Commission shall transmit a copy thereof to the Secretary of Commerce.

(b) (1) Upon the request of the President, upon resolution of either the Committee on Finance of the Senate or the Committee on Ways and Means of the House of Representatives, upon its own motion, or upon the filing of a petition under subsection (a) (1), the Tariff Commission shall promptly make an investigation to determine whether, as [a result of concessions granted under trade agreements, an article is being imported into the United States in such increased quantities as to cause, or threaten to cause, serious] *a result, in whole or in part, of the duty or other customs treatment reflecting concessions granted under trade agreements, an article is being imported into the United States in such increased quantities, either actual or relative, as to cause, or threaten to cause, serious* injury to the domestic industry producing an article which is like or directly competitive with the imported article.

(2) In making its determination under paragraph (1), [the Tariff Commission shall take into account all economic factors which it considers relevant, including idling of productive facilities, inability to operate at a profit, and unemployment or underemployment.] *the Tariff Commission shall be governed by section 7 of the Trade Agreements Extension Act of 1951, as amended (19 U.S.C., sec. 1364).*

(3) No investigation for the purpose of paragraph (1) shall be made, upon petition filed under subsection (a) (1), with respect to the same subject matter as a previous investigation under paragraph (1), unless one year has elapsed since the Tariff Commission made its report to the President of the results of such previous investigation.

(c) (1) In the case of a petition by a firm for a determination of eligibility to apply for adjustment assistance under chapter 2, the Tariff Commission shall, [in addition to making an industry determination under subsection (b), determine whether, as a result of concessions granted under] *determine whether, as a result, in whole or in part, of the duty or other customs treatment reflecting concessions granted under* trade agreements, an article like or directly competitive with an article produced by the firm is being imported into the United States in such increased quantities [as to cause,] *, either actual or relative, as to cause* or threaten to cause, serious injury to such firm. [In making its determination under this paragraph, the Tariff Commission shall take into account all economic factors which it considers relevant, including idling of productive facilities of the firm, inability of the firm to operate at a profit, and unemployment or underemployment in the firm.]

(2) In the case of a petition by a group of workers for a determination of eligibility to apply for adjustment assistance under chapter 3, the Tariff Commission shall [, in addition to making an industry detremination under subsection (b), determine whether, as a result of concessions granted under] *determine whether, as a result, in whole or in part, of the duty or other customs treatment reflecting concessions granted under* trade agreements, an article like or directly competitive with an article produced by such workers' firm, or an appropriate subdivision thereof, is being imported into the United States [in such increased quantities as to cause, or threaten to cause,] *in such increased quantities, either actual or relative, as to cause, or threaten to cause,* unemployment or underemployment of a significant number or proportion of the workers of such firm or subdivision.

(3) The Tariff Commission may provide that, during a period beginning not earlier than 30 days after the publication of notice of hearings with respect to an industry and ending not later than the date of the report of the Tariff Commission with respect thereto under subsection (f) (2), no petition may be filed under subssection (a) (1) by a firm or group of workers in such industry with respect to the same imported article and the same domestic article.

(d) In the course of any investigation under this section, the Tariff Commission shall, after reasonable notice, hold public hearings and shall afford interested parties opportunity to be present, to produce evidence, and to be heard at such hearings.

(e) Should the Tariff Commission find with respect to any article, as the result of its investigation, the serious injury or threat thereof described in subsection (b), it shall find the amount of the increase in, or imposition of, any duty or other import restriction on such article which is necessary to prevent or remedy such injury and shall include such finding in its report to the President.

(f) Subsection (b) of section 7 of the Trade Agreements Extension Act of 1951, as amended (19 U.S.C., sec. 1364(b)), is amended by adding at the end thereof the follow-

ing new sentence: "The Commission shall find that increased imports have caused or threaten serious injury to the domestic industry producing like or directly competitive products when the evidence received during its investigation and hearings establishes that there has occurred (1) a significant decline in the share of the domestic market supplied by domestic products in comparison with the share so supplied during a representative base period (taking into account a decline in order bookings of domestic industries producing articles requiring a long lead time in production), and (2) either (i) a significant decline in the net earnings of the domestic industry producing such products, or (ii) a decline in employment, a loss of wages due to shortened work periods, or a decline in wage rates in such domestic industry."

[g](1) The Tariff Commission shall report to the President the results of each investigation under this section and include in each report any dissenting or separate views. The Tariff Commission shall furnish to the President a transcript of the hearings and any briefs which may have been submitted in connection with each investigation.

(2) The report of the Tariff Commission of its determination under subsection (b) shall be made at the earliest practicable time, but not later than 120 days after the date on which the petition is filed (or the date on which the request or resolution is received or the motion is adopted, as the case may be), unless the President extends such time for an additional period, which shall not exceed 30 days. Upon making such report to the President, the Tariff Commission shall promptly make public such report, and shall cause a summary thereof to be published in the Federal Register.

(3) The report of the Tariff Commission of its determination under subsection (c) (1) or (c)(2) with respect to any firm or group of workers shall be made at the earliest practicable time, but not later than 60 days after the date on which the petition is filed.

SEC. 302. PRESIDENTIAL ACTION AFTER TARIFF COMMISSION DETERMINATION.

[(a) After receiving a report from the Tariff Commission containing an affirmative finding under section 301(b) with respect to any industry, the President may—

[(1) provide tariff adjustment for such industry pursuant to section 351,

[(2) provide, with respect to such industry, that its firms may request the Secretary of Commerce for certifications of eligibility to apply for adjustment assistance under chapter 2,

[(3) provide, with respect to such industry, that its workers may request the Secretary of Labor for certifications of eligibility to apply for adjustment assistance under chapter 3, or

[(4) take any combination of such actions.]

(a) After receiving a report from the Tariff Commission containing an affirmative finding under section 301(b) with respect to any industry, the President shall take action or report as specified in section 7(c) of the Trade Agreements Extension Act of 1951, as amended (19 U.S.C. sec. 1364(c)).

(b) No proclamation pursuant to subsection (a) shall be made—

(1) increasing any rate of duty to a rate more than 50 percent above the rate existing on July 1, 1934, or

(2) in the case of an article not subject to duty, imposing a duty in excess of 50 percent ad valorem.

For purposes of paragraph (1), the term "existing on July 1, 1934" has the meaning assigned to such term by paragraph (5) of section 256.

[(b)(1) The Secretary of Commerce shall certify, as eligible to apply for adjustment assistance under chapter 2, any firm in an industry with respect to which the President has acted under subsection (a)(2), upon a showing by such firm to the satisfaction of the Secretary of Commerce that the increased imports (which the Tariff Commission has determined to result from concessions granted under trade agreements) have caused serious injury or threat thereof to such firm.

[(2) The Secretary of Labor shall certify, as eligible to apply for adjustment assistance under chapter 3, any group of workers in an industry with respect to which the President has acted under subsection (a)(3), upon a showing by such group of workers to the satisfaction of the Secretary of Labor that the increased imports (which the Tariff Commission has determined to result from concessions granted under trade agreements) have caused or threatened to cause unemployment or underemployment of a significant number or proportion of workers of such workers' firm or subdivision thereof.]

(c) Paragraph (2)(B) of subsection (c) of section 7 of the Trade Agreements Extension Act of 1951, as amended (19 U.S.C., sec. 1364 (c)(2)(B)), is amended by striking out the word "two-thirds" and inserting in lieu thereof the word "majority".

[(c)] *(d)* After receiving a report from the Tariff Commission containing an affirmative finding under section 301(c) with respect to any firm or group of workers, the President may certify that such firm or group of workers is eligible to apply for adjustment assistance.

[(d)](*e*) Any certification under subsection [(b) or (c)] *(d)* that a group of workers is eligible to apply for adjustment assistance shall specify the date on which the unemployment or underemployment began or threatens to begin.

[(e)] *(f)* When the President determines, with respect to any cartification of the eligibility of a group of workers, that separations from the firm or subdivision thereof are no longer attributable to the conditions specified in section 301(c) [(2) or in subsection (b)(2) of this section], he shall terminate the effect of such certification. Such termination shall apply only with respect to separations occurring after the termination date specified by the President.

Chapter 2—Assistance to firms

SEC. 311. CERTIFICATION OF ADJUSTMENT PROPOSALS.

(a) A firm certified under section 302 as eligible to apply for adjustment assistance may, at any time within two years after the date of such certification, file an application with the Secretary of Commerce for adjustment assistance under this chapter. [Within a reasonable time after filing its application, the firm shall present a proposal for its economic adjustment].

[(b) Adjustment assistance under this chapter consists of technical assistance, financial assistance, and tax assistance, which may be furnished singly or in combination. Except as provided in subsection (c), no adjustment assistance shall be provided to a firm under this chapter until its adjustment proposal shall have been certified by the Secretary of Commerce—

[(1) to be reasonably calculated materially to contribute to the economic adjustment of the firm,

[(2) to give adequate consideration to the interests of the workers of such firm adversely affected by actions taken in carrying out trade agreements, and

[(3) to demonstrate that the firm will make all reasonable efforts to use its own resources for economic development.

[(c) In order to assist a firm which has applied for adjustment assistance under this chapter in preparing a sound adjustment proposal, the Secretary of Commerce may furnish technical aessistance to such firm prior to certification of its adjustment proposal.

[(d) Any certification made pursuant to this section shall remain in force only for such period as the Secretary of Commerce may prescribe.

[SEC. 312. USE OF EXISTING AGENCIES.

[(a) The Secretary of Commerce shall refer each certified adjustment proposal to such agency or agencies as he determines to be appropriate to furnish the technical and financial assistance necessary to carry out such proposal.

[(b) Upon receipt of a certified adjustment proposal, each agency concerned shall promptly—

[(1) examine the aspects of the proposal relevant to its functions, and

[(2) notify the Secretary of Commerce of its determination as to the technical and financial assistance it is prepared to furnish to carry out the proposal.

[(c) Whenever and to the extent that any agency to which an adjustment proposal has been referred notifies the Secretary of Commerce of its determination not to furnish technical or financial assistance, and if the Secretary of Commerce determines that such assistance is necessary to carry out the adjustment proposal, he may furnish adjustment assistance under sections 313 and 314 to the firm concerned.

[(d) There are hereby authorized to be appropriated to the Secretary of Commerce such sums as may be necessary from time to time to carry out his functions under this chapter in connection with furnishing adjustment assistance to firms, which sums are authorized to be appropriated to remain available until expended.

[SEC. 313. TECHNICAL ASSISTANCE.

[(a) Upon compliance with section 312 (c), the Secretary of Commerce may provide to a firm, on such terms and conditions as he determines to be appropriate, such technical assistance as in his judgment will materially contribute to the economic adjustment of the firm.

[(b) To the maximum extent practicable, the Secretary of Commerce shall furnish technical assistance under this section and section 311(c) through existing agencies, and otherwise through private individuals, firms, or institutions.

[(c) The Secretary of Commerce shall require a firm receiving technical assistance under this section or section 311(c) to share the cost thereof to the extent he determines to be appropriate.

[SEC. 314. FINANCIAL ASSISTANCE.

[(a) Upon compliance with section 312 (c), the Secretary of Commerce may provide to a firm, on such terms and conditions as he determines to be appropriate, such financial assistance in the form of guarantees of loans, agreements for deferred participations in loans, or loans, as in his judgment will materially contribute to the economic adjustment of the firm. The assumption of an outstanding indebtedness of the firm, with or without recourse, shall be considered to be the making of a loan for purposes of this section.

[(b) Guarantees, agreements for deferred participations, or loans shall be made under this section only for the purpose of making funds available to the firm—

[(1) for acquisition, construction, installation, modernization, development, conversion, or expansion of land, plant, buildings, equipment, facilities, or machinery, or

[(2) in cases determined by the Secretary of Commerce to be exceptional, to supply working capital.

[(c) To the maximum extent practicable, the Secretary of Commerce shall furnish financial assistance under this section through agencies furnishing financial assistance under other law.

[SEC. 315. CONDITIONS FOR FINANCIAL ASSISTANCE.

[(a) No loan shall be guaranteed and no agreement for deferred participation in a loan shall be made by the Secretary of Commerce in an amount which exceeds 90 percent of that portion of the loan made for purposes specified in section 314(b).

[(b)(1) Any loan made or deferred participation taken up by the Secretary of Commerce shall bear interest at a rate not less than the greater of—

[(A) 4 percent per annum, or

[(B) a rate determined by the Secretary of the Treasury for the year in which the loan is made or the agreement for such deferred participation is entered into.

[(2) The Secretary of the Treasury shall determine annually the rate referred to in paragraph (1)(B), taking into consideration the current average market yields on outstanding interest-bearing marketable public debt obligations of the United States of maturities comparable to those of the loans outstanding under section 314.

[(c) Guarantees or agreements for deferred participation shall be made by the Secretary of Commerce only with respect to loans bearing interest at a rate which he determines to be reasonable. In no event shall the guaranteed portion of any loan, or the portion covered by an agreement for deferred participation, bear interest at a rate more than 1 percent per annum above the rate prescribed by subsection (b) (determined when the guarantee is made or the agreement is entered into), unless the Secretary of Commerce shall determine that special circumstances justify a higher rate, in which case such portion of the loan shall bear interest at a rate not more than 2 percent per annum above such prescribed rate.

[(d) The Secretary of Commerce shall make no loan or guarantee having a maturity in excess of 25 years, including renewals and extensions, and shall make no agreement for deferred participation in a loan which has a maturity in excess of 25 years, including renewals and extensions. Such limitation on maturities shall not, however, apply to—

[(1) securities or obligations received by the Secretary of Commerce as claimant in bankruptcy or equitable reorganization, or as creditor in other proceedings attendant upon insolvency of the obligor, or

[(2) an extension or renewal for an additional period not exceeding 10 years, if the Secretary of Commerce determines that such extension or renewal is reasonably necessary for the orderly liquidation of the loan.

[(e) No financial assistance shall be provided under section 314 unless the Secretary of Commerce determines that such assistance is not otherwise available to the firm, from sources other than the United States, on reasonable terms, and that there is reasonable assurance of repayment by the borrower.

[(f) The Secretary of Commerce shall maintain operating reserves with respect to anticipated claims under guarantees and under agreements for deferred participation made under section 314. Such reserves shall be considered to constitute obligations for purposes of section 1311 of the Supplemental Appropriation Act, 1955 (31 U.S.C., sec. 200).

[SEC. 316. ADMINISTRATION OF FINANCIAL ASSISTANCE.

[(a) In making and administering guarantees, agreements for deferred participation, and loans under section 314, the Secretary of Commerce may—

[(1) require security for any such guarantee, agreement, or loan, and enforce, waive, or subordinate such security;

[(2) assign or sell at public or private sale, or otherwise dispose of, upon such terms and conditions and for such consideration as he shall determine to be reasonable, any evidence of debt, contract, claim, personal property, or security assigned to or held by him in connection with such guarantees, agreements, or loans, and collect, compromise, and obtain deficiency judgments with respect to all obligations assigned to or held by him in connection with such guarantees, agreements, or loans until such time as such obligations may be referred to the Attorney General for suit or collection;

[(3) renovate, improve, modernize, complete, insure, rent, sell, or otherwise deal with, upon such terms and conditions and for such consideration as he shall determine to be reasonable, any real or personal property conveyed to or otherwise acquired by him in connection with such guarantees, agreements, or loans;

[(4) acquire, hold, transfer, release, or convey any real or personal property or any interest therein whenever deemed necessary or appropriate, and execute all legal documents for such purposes; and

[(5) exercise all such other powers and take all such other acts as may be necessary or incidental to the carrying out of functions pursuant to section 314.

[(b) Any mortgage acquired as security under subsection (a) shall be recorded under applicable State law.

[SEC. 317. TAX ASSISTANCE.

[(a) If—

[(1) to carry out an adjustment proposal of a firm certified pursuant to section 311, such firm applies for tax assistance under this section within 24 months after the close of a taxable year and alleges in such application that it has sustained a net operating loss for such taxable year,

[(2) the Secretary of Commerce determines that any such alleged loss for such taxable year arose predominantly out of the carrying on of a trade or business which was seriously injured, during such year, by the increased imports which the Tariff Commission has determined to result from concessions granted under trade agreements, and

[(3) the Secretary of Commerce determines that tax assistance under this section will materially contribute to the economic adjustment of the firm,

then the Secretary of Commerce shall certify such determinations with respect to such firm for such taxable year. No determination or certification under this subsection shall constitute a determination of the existence or amount of any net operating loss for purposes of section 172 of the Internal Revenue Code of 1954.

[(b) Subsection (b) of section 172 of the Internal Revenue Code of 1954 (relating to net operating loss carrybacks and carryovers) is amended to read as follows:

["(b) NET OPERATING LOSS CARRYBACKS AND CARRYOVERS.—

["(1) YEARS TO WHICH LOSS MAY BE CARRIED.—A net operating loss for any taxable year ending after December 31, 1957, shall be—

["(A) except as provided in subparagraph (B), a net operating loss carryback to each of the 3 taxable years preceding the taxable year of such loss,

["(B) in the case of a taxpayer with respect to a taxable year ending on or after December 31, 1962, for which a certification has been issued under section 317 of the Trade Expansion Act of 1962, a net operating loss carryback to each of the 5 taxable years preceding the taxable year of such loss, and

["(C) a net operating loss carryover to each of the 5 taxable years following the taxable year of such loss.

["(2) AMOUNT OF CARRYBACKS AND CARRYOVERS.—Except as provided in subsection (i), the entire amount of the net operating loss for any taxable year (hereinafter in this section referred to as the 'loss year') shall be carried to the earliest of the taxable years to which (by reason of paragraph (1)) such loss may be carried. The portion of such loss which shall be carried to each of the other taxable years shall be the excess, if any, of the amount of such loss over the sum of the taxable income for each of the prior taxable years to which such loss may be carried. For purposes of the preceding sentence, the taxable income for any such prior taxable year shall be computed—

["(A) with the modifications specified in subsection (d) other than paragraphs (1), (4), and (6) thereof; and

["(B) by determining the amount of the net operating loss deduction without regard to the net operating loss for the loss year or for any taxable year thereafter,

and the taxable income so computed shall not be considered to be less than zero.

["(3) SPECIAL RULES.—

["(A) Paragraph (1)(B) shall apply only if—

["(i) there has been filed, at such time and in such manner as may be prescribed by the Secretary or his delegate, a notice of filing of the application under section 317 of the Trade Expansion Act of 1962 for tax assistance, and, after its issuance, a copy of the certification under such section, and

["(ii) the taxpayer consents in writing to the assessment, within such period as may be agreed upon with the Secretary or his delegate, of any deficiency for any year to the extent attributable to the disallowance of a deduction previously allowed with respect to such net operating loss, even though at the time of filing such consent the assessment of such deficiency would otherwise be prevented by the operation of any law or rule of law.

["(B) In the case of—

["(i) a partnership and its partners, or

["(ii) an electing small business corporation under subchapter S and its shareholders,

paragraph (1)(B) shall apply as determined under regulations prescribed by the Secretary or his delegate. Such paragraph shall apply to a net operating loss of a partner or such a shareholder only if it arose predominantly from losses in respect of which certifications under section 317 of the Trade Expansion Act of 1962 were filed under this section."

[(c) Subsection (h) of section 6501 of the Internal Revenue Code of 1954 (relating to limitations on assessment and collection in the case of net operating loss carrybacks) is amended by inserting before the period: ", or within 18 months after the date on which the taxpayer files in accordance with section 172(b)(3) a copy of the certification (with respect to such taxable year) issued under section 317 of the Trade Expansion Act of 1962, whichever is later".

[(d) Section 6511(d)(2)(A) of the Internal Revenue Code of 1954 (relating to special period of limitation on credit or refund with respect to net operating loss carrybacks) is amended to read as follows:

["(A) PERIOD OF LIMITATION.—If the claim for credit or refund relates to an overpayment attributable to a net operating loss carryback, in lieu of the 3-year period of limitation prescribed in subsection (a), the period shall be that period which ends with the expiration of the 15th day of the 40th month (or the 39th month, in the case of a corporation) following the end of the taxable year of the net operating loss which results in such carryback or the period prescribed in subsection (c) in respect of such taxable year, whichever expires later; except that—

["(i) with respect to an overpayment attributable to a net operating loss carryback to any year on account of a certification issued to the taxpayer under section 317 of the Trade Expansion Act of 1962, the period shall not expire before the expiration of the

sixth month following the month in which such certification is issued to the taxpayer, and

"(ii) with respect to an overpayment attributable to the creation of, or an increase in, a net operating loss carryback as a result of the elimination of excessive profits by a renegotiation (as defined in section 1481(a)(1)(A)) the period shall not expire before September 1, 1959, or the expiration of the twelfth month following the month in which the agreement or order for the elimination of such excessive profits becomes final, whichever is the later.

In the case of such a claim, the amount of the credit or refund may exceed the portion of the tax paid within the period provided in subsection (b)(2) or (c), whichever is applicable, to the extent of the amount of the overpayment attributable to such carryback."

SEC. 318. PROTECTIVE PROVISIONS.

(a) Each recipient of adjustment assistance under section 313, 314, or 317 shall keep records which fully disclose the amount and disposition by such recipient of the proceeds if any, of such adjustment assistance, and which will facilitate an effective audit. The recipient shall also keep such other records as the Secretary of Commerce may prescribe.

(b) The Secretary of Commerce and the Comptroller General of the United States shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipient pertaining to adjustment assistance under sections 313, 314, and 317.

(c) No adjustment assistance shall be extended under section 313, 314, or 317 to any firm unless the owners, partners, or officers certify to the Secretary of Commerce—

(1) the names of any attorneys, agents, and other persons engaged by or on behalf of the firm for the purpose of expediting applications for such adjustment assistance, and

(2) the fees paid or to be paid to any such person.

(d) No financial assistance shall be provided to any firm under section 314 unless the owners, partners, or officers shall execute an agreement binding them and the firm for a period of 2 years after such financial assistance is provided, to refrain from employing, tendering any office or employment to, or retaining for professional services any person who, on the date such assistance or any part thereof was provided, or within one year prior thereto, shall have served as an officer, attorney, agent, or employee occupying a position or engaging in activities which the Secretary of Commerce shall have determined involve discretion with respect to the provision of such financial assistance.

SEC. 319. PENALTIES.

Whoever makes a false statement of a material fact knowing it to be false, or knowingly fails to disclose a material fact, or whoever willfully overvalues any security, for the purpose of influencing in any way the action of the Secretary of Commerce under this chapter, or for the purpose of obtaining money, property, or anything of value under this chapter, shall be fined not more than $5,000 or imprisoned for not more than two years, or both.

SEC. 320. SUITS.

In providing technical and financial assistance under sections 313 and 314, the Secretary of Commerce may sue and be sued in any court of record of a State having general jurisdiction or in any United States district court, and jurisdiction is conferred upon such district court to determine such controversies without regard to the amount in controversy; but no attachment, injunction, garnishment, or other similar process, mesne or final, shall be issued against him or his property. Nothing in this section shall be construed to except the activities pursuant to sections 313 and 314 from the application of sections 507(b) and 2679 of title 28 of the United States Code, and of section 367 of the Revised Statutes (5 U.S.C., sec 316).]

(b) *Promptly upon receipt of such application the Secretary of Commerce shall designate the community in which each affected plant of the affected firm is located as a "redevelopment area" under the Area Redevelopment Act (Public Law 87-27), for the purpose of making available to such firm the benefits of such Act, and notwithstanding any provision of such Act to the contrary, the Secretary is authorized and shall accord on a priority basis to the affected firm and its affected workers such benefits provided in such Act as the Secretary shall determine to be appropriate for the sound economic redevelopment of the affected establishment and workers.*

Chapter 3—Assistance to workers

SEC. 321. AUTHORITY.

The Secretary of Labor shall determine whether applicants are entitled to receive assistance under this chapter and shall pay or provide such assistance to applicants who are so entitled.

Subchapter A—Trade Readjustment Allowances

SEC. 322. QUALIFYING REQUIREMENTS.

(a) Payment of a trade readjustment allowance shall be made to an adversely affected worker who applies for such allowance for any week of unemployment which begins after the 30th day after the date of the enactment of this Act and after the date determined under section 302(d), subject to the requirements of subsections (b) and (c).

(b) Total or partial separation shall have occurred—

(1) after the date of the enactment of this Act, and after the date determined under section 302(d), and

(2) before the expiration of the 2-year period beginning on the day on which the most recent determination under section 302(d) was made, and before the termination date (if any) specified under section 302(e).

(c) Such worker shall have had—

(1) in the 156 weeks immediately preceding such total or partial separation, at least 78 weeks of employment at wages of $15 or more a week, and

(2) in the 52 weeks immediately preceding such total or partial separation, at least 26 weeks of employment at wages of $15 or more a week in a firm or firms with respect to which a determination of unemployment or underemployment under section 302 has been made, or

if data with respect to weeks of employment are not available, equivalent amounts of employment computed under regulations prescribed by the Secretary of Labor.

SEC. 323. WEEKLY AMOUNTS.

(a) Subject to the other provisions of this section, the trade readjustment allowance payable to an adversely affected worker for a week of unemployment shall be an amount equal to 65 percent of his average weekly wage or to 65 percent of the average weekly manufacturing wage, whichever is less, reduced by 50 percent of the amount of his remuneration for services performed during such week.

(b) Any adversely affected worker who is entitled to trade readjustment allowances and who is undergoing training approved by the Secretary of Labor, including on-the-job training, shall receive for each week in which he is undergoing any such training, a trade readjustment allowance in an amount (computed for such week) equal to the amount computed under subsection (a) or (if greater) the amount of any weekly allowance for such training to which he would be entitled under any other Federal law for the training of workers, if he applied for such allowance. Such trade readjustment allowance shall be paid in lieu of any training allowance to which the worker would be entitled under such other Federal law.

(c)(1) The amount payable to an adversely affected worker under subsection (a) for any week shall be reduced by any amount of unemployment insurance to which he is entitled with respect to such week (or would be entitled but for this chapter or any action taken by such worker under this chapter), whether or not he has filed a claim for such insurance.

(2) The amount payable to an adversely affected worker under subsection (b) for any week shall be reduced by any amount of unemployment insurance which he has received or is seeking with respect to such week; but, if the appropriate State or Federal agency finally determines that the worker was not entitled to unemployment insurance with respect to such week, the reduction shall not apply with respect to such week.

(d) If unemployment insurance, or a training allowance under the Manpower Development and Training Act of 1962 or the Area Redevelopment Act, is payable to an adversely affected worker for any week of unemployment with respect to which he would be entitled (determined without regard to subsection (c) or (e) or to any disqualification under section 327) to a trade readjustment allowance if he applied for such allowance, each such week shall be deducted from the total number of weeks of trade readjustment allowance otherwise payable to him under section 324(a) when he applies for a trade readjustment allowance and is determined to be entitled to such allowance. If the unemployment insurance or the training allowance payable to such worker for any week of unemployment is less than the amount of the trade readjustment allowance to which he would be entitled if he applied for such allowance, he shall receive, when he applies for a trade readjustment allowance and is determined to be entitled to such allowance, a trade readjustment allowance for such week equal to such difference.

(e) Whenever, with respect to any week of unemployment, the total amount payable to an adversely affected worker as remuneration for services performed during such week, as unemployment insurance, as a training allowance referred to in subsection (d), and as a trade readjustment allowance would exceed 75 percent of his average weekly wage, his trade readjustment allowance for such week shall be reduced by the amount of such excess.

(f) The amount of any weekly payment to be made under this section which is not a whole dollar amount shall be rounded upward to the next higher whole dollar amount.

(g) If unemployment insurance is paid under a State law to an adversely affected worker for a week during which he is undergoing training approved by the Secretary of Labor, the State agency making such payment shall be reimbursed from funds appropriated pursuant to section 337, to the extent that such payment does not exceed the trade readjustment allowance which such worker would have received if he had applied for such allowance and had not received the State payment. The amount of such reimbursement shall be determined by the Secretary of Labor on the basis of reports furnished to him by the State agency and such amount shall then be placed in the Unemployment Trust Fund to the credit of the State's account.

SEC. 324. TIME LIMITATIONS ON TRADE READJUSTMENT ALLOWANCES.

(a) Payment of trade readjustment allowances shall not be made to an adversely affected worker for more than 52 weeks, except

that, in accordance with regulations prescribed by the Secretary of Labor—

[(1) such payments may be made for not more than 26 additional weeks to an adversely affected worker to assist him to complete training approved by the Secretary of Labor, or

[(2) such payments shall be made for not more than 13 additional weeks to an adversely affected worker who had reached his 60th birthday on or before the date of total or partial separation.

[(b) Except for a payment made for an additional week specified in subsection (a), a trade readjustment allowance shall not be paid for a week of unemployment beginning more than 2 years after the beginning of the appropriate week. A trade readjustment allowance shall not be paid for any additional week specified in subsection (a) if such week begins more than 3 years after the beginning of the appropriate week. The appropriate week for a totally separated worker is the week of his most recent total separation. The appropriate week for a partially separated worker is the week in respect of which he first receives a trade readjustment allowance following his most recent partial separation.

[SEC. 325. APPLICATION OF STATE LAWS.

[Except where inconsistent with the provision of this chapter and subject to such regulations as the Secertary of Labor may prescribe, the availability and disqualification provisions of the State law—

[(1) under which an adversely affected worker is entitled to unemployment insurance (whether or not he has filed a claim for such insurance), or

[(2) if he is not so entitled to unemployment insurance, of the State in which he was totally or partially separated,

shall apply to any such worker who files a claim for trade readjustment allowances. The State law so determined with respect to a separation of a worker shall remain applicable, for purposes of the preceding sentence, with respect to such separation until such worker becomes entitled to unemployment insurance under another State law (whether or not he has filed a claim for such insurance).

[Subchapter B—Training

[SEC. 326. IN GENERAL.

[(a) To assure that the readjustment of adversely affected workers shall occur as quickly and effectively as possible, with minimum reliance upon trade readjustment allowances under this chapter, every effort shall be made to prepare each such worker for full employment in accordance with his capabilities and prospective employment opportunities. To this end, and subject to this chapter, adversely affected workers shall be afforded, where appropriate, the testing, counseling, training, and placement services provided for under any Federal law. Such workers may also be afforded supplemental assistance necessary to defray transportation and subsistence expenses for separate maintenance when such training is provided in facilities which are not within commuting distance of their regular place of residence. The Secretary of Labor in defraying such subsistence expenses shall not afford any individual an allowance exceeding $5 a day; nor shall the Secretary authorize any transportation expense exceeding the rate of 10 cents per mile.

[(b) To the extent practicable, before adversely affected workers are referred to training, the Secretary of Labor shall consult with such workers' firm and their certified or recognized union or other duly authorized representative and develop a worker retraining plan which provides for training such workers to meet the manpower needs of such firm, in order to preserve or restore the employment relationship between the workers and the firm.

[SEC. 327. DISQUALIFICATION FOR REFUSAL OF TRAINING, ETC.

[Any adversely affected worker who, without good cause, refuses to accept or continue, or fails to make satisfactory progress in, suitable training to which he has been referred by the Secretary of Labor shall not thereafter be entitled to trade readjustment allowances until he enters or resumes training to which he has been so referred.

[Subchapter C—Relocation allowances

[SEC. 328. RELOCATION ALLOWANCES AFFORDED.

[Any adversely affected worker who is the head of a family as defined in regulations prescribed by the Secretary of Labor and who has been totally separated may file an application for a reloaction allowance, subject to the terms and conditions of this subchapter.

[SEC. 329. QUALIFYING REQUIREMENTS.

[(a) A relocation allowance may be granted only to assist an adversely affected worker in relocating with the United States and only if the Secretary of Labor determines that such worker cannot reasonably be expected to secure suitable employment in the commuting area in which he resides and that such worker—

[(1) has obtained suitable employment affording a reasonable expectation of long-term duration in the area in which he wishes to relocate, or

[(2) has obtained a bona fide offer of such employment.

[(b) A relocation allowance shall not be granted to such worker unless—

[(1) for the week in which the application for such allowance is filed, he is entitled (determined without regard to section 323 (c) and (e)) to a trade readjustment allowance or would be so entitled (determined without regard to whether he filed application therefor) but for the fact that he has obtained the employment referred to in subsection (a)(1), and

[(2) such relocation occurs within a reasonable period after the filing of such application or (in the case of a worker who has been referred to training by the Secretary of Labor) within a reasonable period after the conclusion of such training.

[SEC. 330. RELOCATION ALLOWANCE DEFINED.

[For purposes of this subchapter, the term "relocation allowance" means—

[(1) the reasonable and necessary expenses, as specified in regulations prescribed by the Secretary of Labor, incurred in transporting a worker and his family and their household effects, and

[(2) a lump sum equivalent to two and one-half times the average weekly manufacturing wage.

[*Subchapter D—General provisions*

[SEC. 331. AGREEMENTS WITH STATES.

[(a) The Secretary of Labor is authorized on behalf of the United States to enter into an agreement with any State, or with any State agency. Under such an agreement, the State agency (1) as agent of the United States, will receive applications for, and will provide, assistance on the basis provided in this chapter, (2) where appropriate, will afford adversely affected workers who apply for assistance under this chapter testing, counseling, referral to training, and placement services, and (3) will otherwise cooperate with the Secretary of Labor and with other State and Federal agencies in providing assistance under this chapter.

[(b) Each agreement under this subchapter shall provide the terms and conditions upon which the agreement may be amended, suspended, or terminated.

[(c) Each agreement under this subchapter shall provide that unemployment insurance otherwise payable to any adversely affected worker will not be denied or reduced for any week by reason of any right to allowances under this chapter.

[SEC. 332. PAYMENTS TO STATES.

[(a) The Secretary of Labor shall from time to time certify to the Secretary of the Treasury for payment to each State which has entered into an agreement under section 331 the sums necessary to enable such State as agent of the United States to make payments of allowances provided for by this chapter. The Secretary of the Treasury, prior to audit or settlement by the General Accounting Office, shall make payment to the State in accordance with such certification, from the funds for carrying out the purposes of this chapter.

[(b) All money paid a State under this section shall be used solely for the purposes for which it is paid; and any money so paid which is not used for such purposes shall be returned, at the time specified in the agreement under this subchapter, to the Treasury and credited to current applicable appropriations, funds, or accounts from which payments to States under this section may be made.

[(c) Any agreement under this subchapter may require any officer or employee of the State certifying payments or disbursing funds under the agreement, or otherwise participating in the performance of the agreement, to give a surety bond to the United States in such amount as the Secretary of Labor may deem necessary, and may provide for the payment of the cost of such bond from funds for carrying out the purposes of this chapter.

[SEC. 333. LIABILITIES OF CERTIFYING AND DISBURSING OFFICERS.

[(a) No person designated by the Secretary of Labor, or designated pursuant to an agreement under this subchapter, as a certifying officer, shall, in the absence of gross negligence or intent to defraud the United States, be liable with respect to the payment of any allowance certified by him under this chapter.

[(b) No disbursing officer shall, in the absence of gross negligence or intent to defraud the United States, be liable with respect to any payment by him under this chapter if it was based upon a voucher signed by a certifying officer designated as provided in subsection (a).

[SEC. 334. RECOVERY OF OVERPAYMENTS.

[(a) If a State agency or the Secretary of Labor, or a court of competent jurisdiction finds that any person—

(1) has made, or has caused to be made by another, a false statement or representation of a material fact knowing it to be false, or has knowingly failed or caused another to fail to disclose a material fact; and

[(2) as a result of such action has received any payment of allowances under this chapter to which he was not entitled,

such person shall be liable to repay such amount to the State agency or the Secretary of Labor, as the case may be, or either may recover such amount by deductions from any allowance payable to such person under this chapter. Any such finding by a State agency or the Secretary of Labor may be made only after an opportunity for a fair hearing.

[(b) Any amount repaid to a State agency under this section shall be deposited into the fund from which payment was made. Any amount repaid to the Secretary of Labor under this section shall be returned to the Treasury and credited to the current applicable appropriation, fund, or account from which payment was made.

[SEC. 335. PENALTIES.

[Whoever makes a false statement of a material fact knowing it to be false, or knowingly fails to disclose a material fact, for the purpose of obtaining or increasing for himself or for any other person any payment or assistance authorized to be furnished under this chapter or pursuant to an

agreement under section 331 shall be fined not more than $1,000 or imprisoned for not more than one year, or both.

[SEC. 336. REVIEW.

[Except as may be provided in regulations prescribed by the Secretary of Labor to carry out his functions under this chapter, determinations under this chapter as to the entitlement of individuals for adjustment assistance shall be final and conclusive for all purposes and not subject to review by any court or any other officer. To the maximum extent practicable and consistent with the purposes of this chapter, such regulations shall provide that such determinations by a State agency will be subject to review in the same manner and to the same extent as determinations under the State law.

[SEC. 337. AUTHORIZATION OF APPROPRIATIONS.

[There are hereby authorized to be appropriated to the Secretary of Labor such sums as may be necessary from time to time to carry out his functions under this chapter in connection with furnishing adjustment assistance to workers, which sums are authorized to be appropriated to remain available until expended.

[SEC. 338. DEFINITIONS.

[For purposes of this chapter—

[(1) The term "adversely affected employment" means employment in a firm or appropriate subdivision of a firm, if workers of such firm or subdivision are eligible to apply for adjustment assistance under this chapter.

[(2) The term "adversely affected worker" means an individual who, because of lack of work in an adversely affected employment—

[(A) has been totally or partially separated from such employment, or

[(B) has been totally separated from employment with the firm in a subdivision of which such adversely affected employment exists.

[(3) The term "average weekly manufacturing wage" means the national gross average weekly earnings of production workers in manufacturing industries for the latest calendar year (as officially published annually by the Bureau of Labor Statistics of the Department of Labor) most recently published before the period for which the assistance under this chapter is furnished.

[(4) The term "average weekly wage" means one-thirteenth of the total wages paid to an individual in the high quarter. For purposes of this computation, the high quarter shall be that quarter in which the individual's total wages were highest among the first four of the last five completed calendar quarters immediately before the quarter in which occurs the week with respect to which the computation is made. Such week shall be the week in which total separation occurred, or, in cases where partial separation is claimed, an appropriate week, as defined in regulations prescribed by the Secretary of Labor.

[(5) The term "average weekly hours" means the average hours worked by the individual (excluding overtime) in the employment from which he has been or claims to have been separated in the fifty-two weeks (excluding weeks during which the individual was sick or on vacation) preceding the week specified in the last sentence of paragraph (4).

[(6) The term "partial separation" means, with respect to an individual who has not been totally separated, that he has had his hours of work reduced to 80 percent or less of his average weekly hours in adversely affected employment and his wages reduced to 75 percent or less of his average weekly wage in such adversely affected employment.

[(7) The term "remuneration" means wages and net earnings derived from services performed as a self-employed individual.

[(8) The term "State" includes the District of Columbia and the Commonwealth of Puerto Rico; and the term "United States" when used in the geographical sense includes such Commonwealth.

[(9) The term "State agency" means the agency of the State which administers the State law.

[(10) The term "State law" means the unemployment insurance law of the State approved by the Secretary of Labor under section 3304 of the Internal Revenue Code of 1954.

[(11) The term "total separation" means the layoff or severance of an individual from employment with a firm in which, or in a subdivision of which, adversely affected employment exists.

[(12) The term "unemployment insurance" means the unemployment insurance payable to an individual under any State law or Federal unemployment insurance law, including title XV of the Social Security Act, the Railroad Unemployment Insurance Act, and the Temporary Extended Unemployment Compensation Act of 1961.

[(13) The term "week" means a week as defined in the applicable State law.

[(14) The term "week of unemployment" means with respect to an individual any week for which his remuneration for services performed during such week is less than 75 percent of his average weekly wage and in which, because of lack of work—

[(A) if he has been totally separated, he worked less than the full-time week (excluding overtime) in his current occupation, or

[(B) if he has been partially separated, he worked 80 percent or less of his average weekly hours.

[Chapter 4—Tariff adjustment

[SEC. 351. AUTHORITY.

[(a)(1) After receiving an affirmative finding of the Tariff Commission under section 301(b) with respect to an industry, the President may proclaim such increase in, or imposition of, any duty or other import restriction on the article causing or threatening to cause serious injury to such industry as he determines to be necessary to prevent or remedy serious injury to such industry.

[(2) If the President does not, within 60 days after the date on which he receives such affirmative finding, proclaim the increase in, or imposition of, any duty or other import restriction on such article found and reported by the Tariff Commission pursuant to section 301(e)—

[(A) he shall immediately submit a report to the House of Representatives and to the Senate stating why he has not proclaimed such increase or imposition, and

[(B) such increase or imposition shall take effect (as provided in paragraph (3)) upon the adoption by both Houses of the Congress (within the 60-day period following the date on which the report referred to in subparagraph (A) is submitted to the House of Representatives and the Senate), by the yeas and nays by the affirmative vote of a majority of the authorized membership of each House, of a concurrent resolution stating in effect that the Senate and House of Representatives approve the increase in, or imposition of, any duty or other import restriction on the article found and reported by the Tariff Commission.

For purposes of subparagraph (B), in the computation of the 60-day period there shall be excluded the days on which either House is not in session because of adjournment of more than 3 days to a day certain or an adjournment of the Congress sine die. The report referred to in subparagraph (A) shall be delivered to both Houses of the Congress on the same day and shall be delivered to the Clerk of the House of Representatives if the House of Representatives is not in session and to the Secretary of the Senate if the Senate is not in session.

[(3) In any case in which the contingency set forth in paragraph (2)(B) occurs, the President shall (within 15 days after the adoption of such resolution) proclaim the increase in, or imposition of, any duty or other import restriction on the article which was found and reported by the Tariff Commission pursuant to section 301(e).

[(4) The President may, within 60 days after the date on which he receives an affirmative finding of the Tariff Commission under section 301(b) with respect to an industry, request additional information from the Tariff Commission. The Tariff Commission shall, as soon as practicable but in no event more than 120 days after the date on which it receives the President's request, furnish additional information with respect to such industry in a supplemental report. For purposes of paragraph (2), the date on which the President receives such supplemental report shall be treated as the date on which the President received the affirmative finding of the Tariff Commission with respect to such industry.

[(b) No proclamation pursuant to subsection (a) shall be made—

[(1) increasing any rate of duty to a rate more than 50 percent above the rate existing on July 1, 1934, or

[(2) in the case of an article not subject to duty, imposing a duty in excess of 50 percent ad valorem.

For purposes of paragraph (1), the term "existing on July 1, 1934" has the meaning assigned to such term by paragraph (5) of section 256.

[(c)(1) Any increase in, or imposition of, any duty or other import restriction proclaimed pursuant to this section or section 7 of the Trade Agreements Extension Act of 1951—

[(A) may be reduced or terminated by the President when he determines, after taking into account the advice received from the Tariff Commission under subsection (d)(2) and after seeking advice of the Secretary of Commerce and the Secretary of Labor, that such reduction or termination is in the national interest, and

[(B) unless extended under paragraph (2), shall terminate not later than the close of the date which is 4 years after the effective date of the initial proclamation or the date of the enactment of this Act, whichever date is the later.

[(2) Any increase in, or imposition of, any duty or other import restriction proclaimed pursuant to this section or pursuant to section 7 of the Trade Agreements Extension Act of 1951 may be extended in whole or in part by the President for such periods (not in excess of 4 years at any one time) as he may designate if he determines, after taking into account the advice received from the Tariff Commission under subsection (d)(3) and after seeking advice of the Secretary of Commerce and the Secretary of Labor, that such extension is in the national interest.

[(d)(1) So long as any increase in, or imposition of, any duty or other import restriction pursuant to this section or pursuant to section 7 of the Trade Agreements Extension Act of 1951 remains in effect the Tariff Commission shall keep under review developments with respect to the industry concerned, and shall make periodic reports to the President concerning such developments.

[(2) Upon request of the President, the Tariff Commission shall advise the President of its judgment as to the probable economic effect on the industry concerned of the reduction or termination of the increase in, or imposition of, any duty or other import restriction pursuant to this section or section 7 of the Trade Agreements Extension Act of 1951.

[(3) Upon petition on behalf of the industry concerned, filed with the Tariff Commission not earlier than the date which is 9 months, and not later than the date which is 6 months, before the date any increase

or imposition referred to in paragraph (1) or (2) of subsection (c) is to terminate by reason of the expiration of the 4-year period prescribed in paragraph (1) or an extension thereof under paragraph (2), the Tariff Commission shall advise the President of its judgment as to the probable economic effect on such industry of such termination.

[(4) In advising the President under this subsection as to the probable economic effect on the industry concerned, the Tariff Commission shall take into account all economic factors which it considers relevant, including idling of productive facilities, inability to operate at a profit, and unemployment or underemployment.

[(5) Advice by the Tariff Commission under this subsection shall be given on the basis of an investigation during the course of which the Tariff Commission shall hold a hearing at which interested persons shall be given a reasonable opportunity to be present, to produce evidence, and to be heard.

[(e) The President, as soon as practicable, shall take such action as he determines to be necessary to bring trade agreements entered into under section 350 of the Tariff Act of 1930 into conformity with the provisions of this section. No trade agreement shall be entered into under section 201(a) unless such agreement permits action in conformity with the provisions of this section.

[*Chapter 5—Advisory Board*

[SEC. 361. ADJUSTMENT ASSISTANCE ADVISORY BOARD

[(a) There is hereby created the Adjustment Assistance Advisory Board, which shall consist of the Secretary of Commerce, as Chairman, and the Secretaries of the Treasury, Agriculture, Labor, Interior, and Health, Education, and Welfare, the Administrator of the Small Business Administration, and such other officers as the President deems appropriate. Each member of the Board may designate an officer of his agency to act for him as a member of the Board. The Chairman may from time to time invite the participation of officers of other agencies of the executive branch.

[(b) At the request of the President, the Board shall advise him and the agencies furnishing adjustment assistance pursuant to chapters 2 and 3 on the development of coordinated programs for such assistance, giving full consideration to ways of preserving and restoring the employment relationship of firms and workers where possible, consistent with sound economic adjustment.

[(c) The Chairman may appoint for any industry an industry committee composed of members representing employers, workers, and the public, for the purpose of advising the Board. Members of any such committee shall, while attending meetings, be entitled to receive compensation and reimbursement as provided in section 401(3). The provisions of section 1003 of the National Defense Education Act of 1958 (20 U.S.C. 582) shall apply to members of such committee.]

Sec. 321. Certification of Adjustment Proposals.

(a) A group of workers certified under section 302 as eligible to apply for adjustment assistance may, at any time within two years after the date of such certification, file an application with the Secretary of Labor for adjustment assistance under this chapter.

(b) Promptly upon receipt of such application the Secretary of Labor shall make available on a priority basis to unemployed or underemployed workers in such group the benefits provided in the Manpower Development and Training Act of 1962.

TITLE IV—GENERAL PROVISIONS

SEC. 401. AUTHORITIES.

The head of any agency performing functions under this Act may—

(1) authorize the head of any other agency to perform any of such functions;

(2) prescribe such rules and regulations as may be necessary to perform such functions; and

(3) to the extent necessary to perform such functions, procure the temporary (not in excess of one year) or intermittent services of experts or consultants or organizations thereof, including stenographic reporting services, by contract or appointment, and in such cases such services shall be without regard to the civil service and classification laws, and, except in the case of stenographic reporting services by organizations, without regard to section 3709 of the Revised Statutes (41 U.S.C. 5). Any individual so employed may be compensated at a rate not in excess of $75 per diem, and, while such individual is away from his home or regular place of business, he may be allowed transportation and not to exceed $16 per diem in lieu of subsistence and other expenses.

SEC. 402. REPORTS.

(a) The President shall submit to the Congress an annual report on the trade agreements program and on tariff adjustment and other adjustment assistance under this Act. Such report shall include information regarding new negotiations, changes made in duties and other import restrictions of the United States, reciprocal concessions obtained, changes in trade agreements in order to effectuate more fully the purposes of the trade agreements program (including the incorporation therein of escape clauses), the results of action taken to obtain removal of foreign trade restrictions (including discriminatory restrictions) against United States exports, remaining restrictions, and the measures available to seek their removal in accordance with the purposes of this Act, and other information relating to the trade agreements program and to the agreements entered into thereunder.

(b) The Tariff Commission shall submit to the Congress, at least once a year, a factual report on the operation of the trade agreements program.

SEC. 403. TARIFF COMMISSION.

(a) In order to expedite the performance of its functions under this Act, the Tariff Commission may conduct preliminary investigations, determine the scope and manner of its proceedings, and consolidate proceedings before it.

(b) In performing its functions under this Act, the Tariff Commission may exercise any authority granted to it under any other Act.

(c) The Tariff Commission shall at all times keep informed concerning the operation and effect of provisions relating to duties or other import restrictions of the United States contained in trade agreements entered into under the trade agreements program.

SEC. 404 SEPARABILITY.

If any provision of this Act or the application of any provision to any circumstances or persons shall be held invalid, the validity of the remainder of this Act, and of the application of such provision to other circumstances or persons, shall not be affected thereby.

SEC. 405. DEFINITIONS.

For purposes of this Act—

(1) The term "agency" includes any agency, department, board, wholly or partly owned corporation, instrumentality, commission, or established of the United States.

(2) The term "duty or other import restriction" includes (A) the rate and form of an import duty, and (B) a limitation, prohibition, charge, and exaction other than duty, imposed on importation or imposed for the regulation of imports.

(3) The term "firm" includes an individual proprietorship, partnership, joint venture, association, corporation (including a development corporation), business trust, cooperative, trustees in bankruptcy, and receivers under decree of any court. A firm, together with any predecessor, successor, or affiliated firm controlled or substantially beneficially owned by substantially the same persons, may be considered a single firm where necessary to prevent unjustifiable benefits.

(4) An imported article is "directly competitive with" a domestic article at an earlier or later stage of processing, and a domestic article is "directly competitive with" an imported article at an earlier or later stage of processing, if the importation of the imported article has an economic effect on producers of the domestic article comparable to the effect of importation of articles in the same stage of processing as the domestic article. For purposes of this paragraph, the unprocessed article is at an earlier stage of processing.

(5) A product of a country is an article which is the growth, produce, or manufacture of such country.

(6) The term "modification", as applied to any duty or other import restriction, includes the elimination of any duty.

Sec. 406. Findings of Fact Required for Presidential Determinations.

Any determinations of the President under sections 201 (a), 211(a) 211(b), 211(c), 212, 213(a), 213(b), 232(a), 232(b), 254, 256(7), or 302(a) shall be based upon findings of fact by the President that the conditions or principles specified in each such section exist or are applicable as shown by the record of the investigation made incidental to such determination.

Sec. 407. Publication of Reports.

The reports and other documents described in sections 213(c), 242(b)(3), and 301(g) shall be made public by the President or at his direction as soon as practicable after the purposes for which they are specified in this Act have been accomplished.

Sec. 408. Fostering Increased Employment in Growth Industries.

(a) Taking note of the persistent high levels of unemployment existing in the United States and the necessity for encouraging and protecting the growth of new domestic industries and domestic industries whose operations have been characterized by sustained growth in employment, plant investment, and production as a means of reducing unemployment and providing jobs for the Nation's growing labor force, the Congress declares it to be the policy of the United States that no reduction in any rate of duty, or binding of any existing customs or excise treatment, or other concession proclaimed under section 350 of the Tariff Act of 1930, as amended (19 U.S.C., sec. 1351), or under section 201 of this Act, shall be permitted to continue in effect when the product on which the concession has been granted is, as a result, in whole or in part, of the duty or other customs treatment reflecting such concession, being imported into the United States in such increased quantities, as to cause or threaten serious impairment of the rate of growth of such industries producing the like or directly competitive products. No action shall be taken pursuant to section 201 of this Act to decrease the duty on any imported article or to bind any existing customs treatment, if such action would cause or threaten serious impairment of the rate of growth of such domestic industries producing the like or directly competitive products.

(b) The President, as soon as practicable, shall take such action as may be necessary to bring trade agreements heretofore entered into under section 350 of the Tariff Act of 1930, as amended (19 U.S.C., sec. 1351), into conformity with the policy established in subsection (a) of this section.

(c) In any investigation conducted pursuant to section 221(b) of this Act, the Tariff Commission shall, in addition to the findings required by such section, report to the President its findings with respect to the limit to which modification of duties and other import restrictions, or continuance of existing customs and excise treatment, may be made with reference to imported articles in order to carry out the purpose of this Act without causing or threatening serious impairment of the rate of growth of such domestic industries, described in subsection (a) of this section, which produce the like or directly competitive articles.

(d)(1) The first paragraph of subsection (a) of section 7 of the Trade Agreements Extension Act of 1951, as amended (19 U.S.C., sec. 1364(a)), is amended by changing the period at the end of the paragraph to a comma and adding the following: "or to cause or threaten serious impairment of the rate of growth of a new domestic industry or a domestic industry whose operations have been characterized by sustained growth in employment, plant investment, and production, which produces the like or directly competitive products.".

(2) The first sentence of the third paragraph of subsection (a) of such section is amended (A) by inserting after "directly competitive products," the following: "or to cause or threaten serious impairment of the rate of growth of a new domestic industry or a domestic industry whose operations have been characterized by a sustained growth in employment, plant investment, and production, which produces the like or directly competitive products,"; and (B) by striking out the period at the end of such sentence and inserting in lieu thereof the following: "or impairment.".

(3) The first sentence of paragraph (1) of subsection (c) of such section is amended by inserting after the words "serious injury to" the following: "or serious impairment of the rate of growth of".

Mr. CAPEHART. Mr. President, I am a sponsor of the amendments to the trade bill introduced today in behalf of a bipartisan group by the Senator from Connecticut [Mr. BUSH] for three reasons.

First, I believe that the bill as it comes to the Senate, though imaginative in many respects, is an incomplete document. It concentrates on the delegation of new and unprecedented power to the President for the reduction or elimination of duties. It neglects to accompany this new power with clear-cut guidelines and adequate safeguards which will insure a balanced administration of the new trade program. America's leadership in the world will last only so long as our economic strength is superior to that of any other area of the world. It is our responsibility to see that powers delegated to the Executive which by their nature alter the factors of competition between foreign and domestic products are used in accordance with principles calculated to maintain our Nation's preeminent economic strength. These amendments, without distorting the main outlines of the power delegated to the President, have this effect. They specify clearly the terms and conditions under which the power is to be used. They provide workable safeguards to prevent injury to business, farming, mining, commercial fisheries, and our workers as well as speedily to correct injury should it occur notwithstanding these precautions.

Second, I believe that the administration's objective of fostering an increase in our exports to assist in the solution of our balance-of-payments difficulties can be more realistically attained if the Congress itself specifies indispensable conditions for the use of the new power which will give hardheaded trading an opportunity to play its part in future trade agreement negotiations. These amendments contain three cardinal principles to guide our negotiators. Together they will make it possible for the United States to secure value received for each concession granted to foreign countries, and to move quickly in the direction of securing treatment for our exports equivalent to that which we extend to the products of other countries.

Third, I believe it is of great importance that the people of the United States be enabled to know at all times the factual basis upon which our Government makes tariff changes and takes other actions in the foreign trade area. Many of us are concerned with reestablishing confidence in the business community and the actions taken by the Government in the economic area. The business community must understand the rules under which tariff changes are made and it must have confidence in the integrity of the factfinding procedures on which tariff changes are to be based. These amendments improve the procedures in H.R. 11970 by requiring actions of the President to be based upon findings of fact drawn from a public record made in investigations in which businessmen, farmers, and workers have the right to be present and to be heard.

Mr. President, while these amendments will benefit Indiana as they will benefit every other State of the Union, my sponsorship of the amendments is not based exclusively upon my concern for business, farming, and employment conditions in the State of Indiana. These amendments are geared to the interests of the total national economy and of all our industrial, farming, mining, and fishery workers.

At the same time, the citizens of Indiana can look hopefully to these amendments in the light of the established import-export trends in the products of industries where employment is especially sensitive to import competition. During the period 1954–60 the imports of products of these industries increased by more than $2.3 billion, while exports of the products of these industries increased less than $300 million. Indiana lost roughly 30,000 jobs in those industries. Indiana has suffered a serious loss of employment in agriculture and in many of the industries which have contributed in the past to the economy of our State. If the power which would be conferred upon the President by H.R. 11970 is not used with prudence and wisdom, these disturbing trends will be accelerated to the detriment of Indiana and of the Nation. The amendments introduced today are designed to supply the realistic information upon which wise decisions can and must be made.

Mr. MUSKIE (for himself, Mr. BARTLETT, Mr. CHAVEZ, Mr. COTTON, Mr. DODD, Mr. MURPHY, Mr. PASTORE, Mr. PELL, and Mr. WILEY) submitted an amendment, intended to be proposed by them, jointly, to House bill 11970, supra, which was referred to the Committee on Finance and ordered to be printed.

FEDERAL ELECTIONS VOTING RIGHTS ACT OF 1962—ADDITIONAL COSPONSORS OF BILL

Under authority of the order of the Senate of July 27, 1962, the names of Senators NEUBERGER, PASTORE, SMITH of Massachusetts, CARROLL, BUSH, and CANNON were added as additional cosponsors of the bill (S. 3576) to protect the rights of citizens to vote in Federal elections, and to facilitate prompt judicial review of alleged denials of such rights, by requiring that literacy tests given as a qualification for voting in Federal elections be in writing and meet certain other requirements, and for other purposes, introduced by Mr. DODD (for himself and other Senators) on July 27, 1962.

NOTICE OF HEARINGS ON NOMINATIONS OF STANLEY A. WEIGEL AND CHARLES H. CARR TO BE U.S. DISTRICT JUDGES, NORTHERN AND SOUTHERN DISTRICTS OF CALIFORNIA

Mr. EASTLAND. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that public hearings have been scheduled for Thursday, August 9, 1962, at 10:30 a.m., in room 2228 New Senate Office Building, on the following nominations:

Stanley A. Weigel, of California, to be U.S. district judge, northern district of California, vice Louis E. Goodman, deceased.

Charles H. Carr, of California, to be U.S. district judge, southern district of California, a new position.

At the indicated time and place persons interested in the hearing may make such representations as may be pertinent.

The subcommittee consists of the Senator from South Carolina [Mr. JOHNSTON], the Senator from Nebraska [Mr. HRUSKA], and myself, as chairman.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE APPENDIX

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the Appendix, as follows:

By Mr. SMATHERS:

Address delivered by Senator ELLENDER, of Louisiana, before National Waterways Conference, on July 24, 1962, at Mayflower Hotel, Washington, D.C.

Editorial entitled "Commonwealth of Hope," published recently in the Washington Post.

By Mr. CAPEHART:

Editorial entitled "The John D. Rockefeller, Jr., Creed," published in the Elkhart, Ind., Truth of July 26, 1962.

By Mr. BOGGS:

Editorial entitled "Profits Are Not Bad," written by Charles G. Mortimer, chairman,

procedures in any program to break a lawful strike.

With every best wish.

Sincerely,

WAYNE MORSE.

Mr. MORSE. Mr. President, these letters show that at this turn in the course of this long dispute, Eastern is preparing to train its copilots to take the flight engineers' jobs and has asked for special consideration by the FAA to permit it to do this.

Eastern's solution to the dispute therefore appears to be quite different from that proposed by the Secretary of Labor and accepted by all other parties. Eastern simply will break the strike and will replace the strikers with pilots thus settling the whole matter.

To accomplish this, it is apparently asking the cooperation of the FAA.

At this point it might be noted that it has been the continuous policy of the executive branch to refuse to allow itself to be drawn into any program to break a lawful strike.

This is a harsh course which Eastern is following, and I again urge it to reconsider its approach and to dispose of these issues in the usual channels of collective bargaining as required by the Railway Labor Act. I urge it to accept the Secretary's proposal and to end this painful strike.

THE TRADE EXPANSION ACT OF 1962—AMENDMENT

Mr. MUSKIE. Mr. President, I submit, for appropriate reference, an amendment to H.R. 11970, the Trade Expansion Act of 1962. I do so on behalf of myself, the distinguished Senator from Alaska [Mr. BARTLETT], the distinguished Senator from New Mexico [Mr. CHAVEZ], the distinguished Senators from New Hampshire [Mr. COTTON and Mr. MURPHY], the distinguished Senator from Connecticut [Mr. DODD], the distinguished Senators from Rhode Island [Mr. PASTORE and Mr. PELL], and the distinguished Senator from Wisconsin [Mr. WILEY].

I ask unanimous consent that this amendment remain at the desk through Friday, August 10, to give other Senators an opportunity to join me in cosponsoring the proposal.

The PRESIDING OFFICER. The amendment will be received, printed, and referred to the Committee on Finance; without objection, the amendment will lie on the desk as requested by the Senator from Maine.

Mr. MUSKIE. Mr. President, I offer this amendment as a constructive effort to provide improved protection for those industries faced with disruptive increases in imports from low-wage industries in foreign countries, without frustrating the basic intent of the trade expansion program. Briefly, my amendment would give the President the authority to negotiate special agreements with low-wage countries to allow such countries an orderly share of our domestic market, without destroying our own industry because of the unfair advantage enjoyed by those foreign industries paying substandard wages. This will carry out the intent of S. 1735, the Orderly Marketing Act, which I introduced last year.

I ask unanimous consent that my amendment may be printed at this point in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

On page 2, between lines 13 and 14, insert the following:

"(5) to establish orderly marketing negotiating procedures which will offer nations in which wages or working standards are significantly lower than in the United States a fair share in the growth or change in the domestic consumption in such manner as will also prevent unfair competitive advantage over United States manufacturers or producers."

On page 3, between lines 20 and 21, insert the following:

"Sec. 203. Special authority for imports from nations with low wages or working standards.

"In the case of trade with any nation or nations in which wages, including fringe benefits, and working standards with respect to manufacturing industries are substantially lower than such wages, including fringe benefits, and working standards in the United States, the Tariff Commission shall, upon request of the President, or upon its own motion, or upon application of an interested party, conduct a public hearing and investigation to determine whether or not as to any article or articles imported into the United States from such nation or nations there exists a differential between domestic and foreign costs of production which is due primarily to such lower wages, including fringe benefits, and working standards and which gives foreign manufacturers and producers of such article or articles an unfair competitive advantage over domestic manufacturers or producers of like or competitive articles such as to cause or threaten substantial injury to such domestic manufacturers or producers in the United States market. If the Tariff Commission shall, as a result of such investigation, find that injury is so caused or threatened, the President may, pursuant to section 201(a), negotiate with such nation or nations and proclaim such import restrictions as are appropriate to provide such foreign competition and domestic manufacturers or producers with an opportunity for a fair share in the growth or change in the domestic market for such article or articles. Agreements negotiated under this section may be without regard to the provisions of section 251 or Title III."

Mr. MUSKIE. Mr. President, I am not opposed to expanded trade. I come from a State with a rich heritage in foreign trade. I know that our Nation must trade if it is to grow, and we cannot export to other nations unless we buy from them. But I am not willing to ignore the fact that a number of domestic industries—particularly those requiring large labor inputs—are faced with a tremendous volume of imports from countries which have reached a high level of mechanization, without a corresponding increase in the wages paid to their workers.

The State of Maine, for example, has several kinds of manufacturing enterprises in this category, including shoes and leather footwear, woodworking, and textiles. The cotton textile industry has benefited from an import agreement negotiated between our country and 19 others at Geneva. The authority for the cotton textile negotiations is found under the Agriculture Act. There is no specific authority for such negotiations in the existing Trade Agreements Act, or in the legislation proposed by the President or as passed by the House of Representatives.

The whole thrust of the proposed trade bill is to expand trade opportunities, particularly between the United States and the Common Market. It assumes that we are talking about roughly comparable, mature industrial economies. It assumes that in such a trade expansion program, desirable as it may be, there are bound to be injuries to certain segments of our own economy. And so, it provides for certain protections, including the escape clause proceedings and adjustment assistance.

Both of these provisions are good, but they do not have a direct or sufficiently immediate relationship to the sudden flood of imports which threaten to engulf certain of our domestic industries.

What these industries need is prompt, and realistic relief. They need breathing space, a time in which to adjust to changing competitive conditions. This would be true in any case, but in the case of those industries where increased efficiency, added capital investment, and improved marketing are not sufficient to overcome the wide differential in wages between domestic and foreign manufacturers, they are entitled to special consideration.

Within our own Nation we have made it illegal to transport goods across State lines when such goods are manufactured under low wages and substandard working conditions. The Treaty of Rome, which formed the foundation for the Common Market, recognized that true free trade between the Common Market countries could not be achieved until the separate nations had reached a certain parity in wages. We cannot enforce Fair Labor Standards Act on other nations, but we can insist on reasonable safeguards for our workers who must compete with workers in other nations receiving abnormally low wages and working under substandard conditions.

Today, Mr. President, Mr. Harold Toor, treasurer of the National Shoe Manufacturers Association, testified before the Senate Committee on Finance. He represents an important American industry which has been threatened by imports, and which is feeling the pinch of rapidly expanding imports from low-wage countries. Now, frankly, I would not have been surprised if the shoe industry had taken a rigidly protectionist attitude on the trade bill. To their credit, they have not. They have come out for expanded trade, in a rational framework. This amendment is one part of the framework they support. It is a reasonable request, which I hope will receive the favorable action of this body.

Mr. Toor's presentation provides such an excellent outline of the general trade problem confronting such industries, and underscores the need of my amendment so forcefully, I ask unanimous consent that it be printed in the RECORD at this point.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

TESTIMONY OF HAROLD O. TOOR FOR THE U.S. SHOE MANUFACTURING INDUSTRY BEFORE THE SENATE FINANCE COMMITTEE, AUGUST 1, 1962

My name is Harold O. Toor. I am treasurer of the National Shoe Manufacturers Association, president of the H. O. Toor Shoe Corp., and chairman of the board of the Freeman Shoe Corp. I am representing the National Shoe Manufacturers Association, the New England Shoe & Leather Association, and the St. Louis Shoe Manufacturers Association, which together include over 500 manufacturers producing at least 90 percent of all the footwear made in the United States.

INDUSTRY LOCATION AND PLACE IN THE ECONOMY

The leather shoe manufacturing industry is an essential industry whose products were rationed in World War II. It is made up of approximately 850 companies with over 1,300 factories in counties represented by 262 congressional districts in 38 States. These factories are in over 650 communities. In many cases, they provide the major economic support of the community. In certain States, for example, such as Maine, New Hampshire, and Massachusetts, shoe manufacturing, according to the three-digit Standard Industrial Classification of Manufacturing for 1959, was the largest manufacturing industry employer; in Missouri it was the second largest; and in Wisconsin and Pennyslvania it was the 11th.

We generate a payroll in the United States, if we include suppliers of materials, equipment, and machinery, at somewhere between 350,000 and 400,000 employees. In certain cases where our manufacturers have opened new factories, the community has estimated that a 500-person payroll affects the economic welfare of 1,500 to 2,000 people. On the basis of this assumption, the activities of shoe manufacturing in the United States affect the economic welfare of a million to a million-and-a-half citizens. The shoe industry is vitally important to hundreds of small communities throughout the Nation.

A HIGHLY COMPETITIVE INDUSTRY

The shoe manufacturing industry is one of the most competitive in the Nation. Concentration in shoe manufacturing in the United States is minimal. The first 4 companies, according to the Census Bureau, in 1961 produced 23.4 percent and the first 50 companies, 51.6 percent of total output. In 1939, the first 4 produced 23.3 percent and the top 50 produced 51.3 percent, or about the same as today. The shoe industry remains for the most part in the hands of the small entrepreneur or businessman.

Exit and entry in the shoe manufacturing industry is relatively easy. Buildings and machinery may be leased, and production undertaken with a relatively small amount of capital as compared with the investment required to enter manufacturing industry generally. Conditions in the industry are relatively fluid: Over the last 11 years 603 factories have ceased operation, while around 445 factories have begun shoe manufacturing.

An index of the intensive competition prevailing in shoe manufacturing is provided by the Department of Commerce figures for avarage factory value of all shoes produced. The average factory value was only $3.80 per pair in 1961, as compared with $3.44 in 1950. This rather amazing picture is confirmed at retail where over 58 percent of the women's shoes sell at $6 a pair, or below; over 60 percent of all men's shoes at $10, or below; and over 72 percent of all children's shoes at or below $6 a pair.

The intense conflict prevailing in shoe manufacturing is further illustrated by the fact that of the approximately 850 companies in the industry, around a third report losses to the Internal Revenue Service each year. The earnings of the entire industry average about 2 percent on sales, after taxes; the middle 50 percent of the companies, from 0.9 to 2.7 percent.

SHOE MANUFACTURING INDUSTRY RECOGNIZES THE NECESSITY OF TRADE WITH NATIONS

The shoe manufacturing industry of the United States recognizes the necessity of a policy and program of trade expansion as a national objective. We endorsed and supported the proposed Orderly Marketing Act of 1961, under which foreign manufacturers would share in the growth of our domestic market.

We would like to support the proposed trade expansion bill, H.R. 11970. We have grave doubts, however, that we can survive as a healthy industry under this legislation unless there is an improved safeguard for businesses such as ours which face increasingly severe competition from imports.

RAPID GROWTH OF FOOTWEAR IMPORTS POSES AN INCREASING THREAT TO THE SHOE MANUFACTURING INDUSTRY

The table below reveals that over the past decade under the Trade Agreements Act our markets have been opened to footwear products of the world and a steady expansion has taken place in imports of footwear.

U.S. foreign trade in footwear (other than rubber footwear and slipper socks), 1951–62

Year	U.S. domestic production	Imports		Exports	
		Million pairs	Million dollars	Million pairs	Million dollars
1962 (6 months)	323.9	33.4	40.5	1.4	4.3
1961 (6 months)	304.3	16.3	26.9	1.5	4.3
1961	599.8	36.8	59.8	3.0	9.0
1960	598.4	26.6	53.3	3.2	9.4
1959	638.2	22.3	44.4	3.5	11.4
1958	587.1	23.6	32.9	4.2	13.4
1957	597.6	11.0	22.2	4.4	13.9
1956	591.8	10.0	18.5	4.5	14.1
1955	585.4	7.8	13.6	4.6	14.4
1954	530.4	5.6	10.4	4.7	14.6
1953	532.0	6.9	12.7	5.2	16.2
1952	533.2	5.3	11.1	4.8	15.3
1951	481.9	5.4	11.0	4.2	14.0
Percent change, 1961 over 1957	+0.36	+234.5	+169.4	−31.8	−35.3
Percent change, 1962 (6 months) over 1961 (6 months)	+6.4	+105.5	+50.5	−6.7	(1)

[1] No change.

Since 1960 imports have expanded at an increasingly rapid rate. For the first 6 months of 1962 they have more than doubled. At the present time, imports are running at the rate of 10.3 percent of U.S. production. If the gain continues for the year, which is likely, imports will exceed 70 million pairs in 1962. If the gain in imports in 1963 is 50 percent, and in 1964 and 1965 only 25 percent, at the end of 1965 we shall be importing over 160 million pairs, or 24.6 percent of an estimated 1965 output of 650 million pairs. In summary, we shall have exported in the first half of the sixties practically all of our potential growth.

IMPORTS THREATEN EMPLOYMENT IN SHOE MANUFACTURING

This flood of imports will have a marked effect on actual and potential employment in shoe manufacturing. It is not surprising that the president of the AFL–CIO mentioned in his presentation before this committee the problems of shoeworkers arising from the great increase in imports.

On the average each 3,500 production workers in the shoe industry working a 35–40 hour week, 50 weeks a year, produces about 10 million pairs of shoes a year. This output in turn provides employment for another estimated 1,200 workers in the supplying trades. A total of 4,700 workers, therefore, are provided with job opportunities in the manufacture of each 10 million pairs of shoes.

This would mean that in 1961 at least 16,000 employment opportunities were lost in the leather shoe and supplying industries through imports. If imports reach 160 million pairs by the end of 1965, then another 58,000 employment opportunities will have been sacrificed in the leather shoe and supplying industries. The support the shoe and allied payrolls give in hundreds of small communities through the Nation may well mean that directly or indirectly, a total of anywhere from 75,000 to 100,000 additional people may be affected by this trend.

This flood of imports not only reduces employment opportunities for shoe workers, but it forces shoe manufacturers to make arrangements of one type or another in foreign countries to produce shoes or shoe parts. A few manufacturers, thoroughly discouraged by the import flood, are investing in facilities abroad or making other arrangements so that they may import footwear or parts and thus remain competitive. Unless some action is taken to adjust imports to an orderly growth, this movement will grow apace, and we shall see dozens of factories moved from this country to Europe. What will happen to the workers in the small towns of Maine, Pennsylvania, Arkansas, and Missouri? It is the height of sophistry to assume that the adjustment provision of this bill will take care of all these people.

The employment data that I have cited clearly indicate that at present reduced tariff rates, imports of footwear have essentially free entry into the United States. Further encouragement to imports is not needed. There is positive evidence that at existing duty rates—5 percent and 10 percent through 20 percent—the United States has made a substantial contribution to the objective of trade expansion in footwear.

In contrast, our export trade in footwear has not shared in this expansion, principally because of higher costs here but also because of restrictions of one type or another in foreign countries.

SHOE MACHINERY AND MANUFACTURING METHODS SIMILAR THROUGHOUT TRADING NATIONS

The question may be asked: How can foreign shoe manufacturers make such substantial inroads in U.S. markets if the domestic shoe industry is modern, has built at least 80 new plants with over 3½ million square feet of space since 1950, is keenly competitive, alert to changes in markets, and possesses an excess capacity of at least 100 million pairs per year? The answer is clear. Differences between wage rates in the United States and shoe exporting countries are responsible for the growth of imports.

Shoe manufacturing in other countries is similar in character to our own. It is relatively easy to enter, and there are hundreds

of factories to supply the domestic market as well as foreign demand. Because shoes are a necessity, shoe factories in these countries were among the first to be reconstructed following the war. Many of these plants were rebuilt or modernized, with U.S. aid.[1] Shoe manufacturing is an assembling operation, and shoe machinery is of a relatively simple nature to assist hand operators in stitching, cutting, trimming, folding, smoothing, and so forth. Machinery and technology are universal, and today no one industrial country enjoys any substantial advantages over the other in machinery and methods.

At the same time, it should be made clear that in general the productivity of American shoe factories may on the average be as much as 25 percent greater than in factories abroad although the productivity of a few of the larger factories in England, Italy, and Japan may approximate that of American factories producing a comparable type of footwear. Our productivity, however, cannot offset the substantial price advantage which exists today in favor of foreign shoe manufacturers.

WIDE DIFFERENCES IN WAGE RATES ALONE RESPONSIBLE FOR FLOOD OF IMPORTS

Wages in shoe manufacturing abroad range from a half to even a fifth of wages in the United States as the following table will reveal:

Foreign versus U.S. average hourly earnings and fringe benefits in the leather footwear industry

Country	Hourly earnings	Fringe benefits (percent)	Total labor costs
United Kingdom	$0.870	12.0	$0.974
France	.626	45.0–50.0	.939
Switzerland	.750	15.0	.863
West Germany	.638	30.0	.829
Belgium	.510	35.0	.689
Netherlands	.440	30.0	.572
Italy	.221	75.0–80.0	.451
Japan	.276	15.0	.317
United States	1.630	19.4	1.946

NOTES

Fringe benefit percentages are estimated by the U.S. Department of Labor. Period covered for each country is as follows: France, October 1961; Switzerland, October 1960; West Germany, May 1961; Belgium, April 1961; Netherlands, May–June 1959; Italy, June 1960; Japan, calendar 1960; and U.S. hourly earnings and fringe benefits, May 1961.

United Kingdom: "Clothing and footwear" category, adult males, 21 and over. France: "Hides and leather" category, skilled males, in Paris zone, the highest paid region in the country. Switzerland: Male workers. Italy: Average hourly earnings and fringes in a related industry, "Leather and leather products," are as follows: $0.219, 75 to 80 percent, $0.574. Japan: "Leather and leather products."

Sources: U.S. Department of Labor; British Ministry of Labor Gazette; NSMA (U.S. fringe benefits).

Differences in wage rates here and abroad result in such price differences between foreign and domestic footwear that foreign producers may land shoes in this country at prices 15 to 25 percent lower than for equivalent items produced in the United States. In other words, this is the result of lower priced labor in foreign countries competing against higher priced labor in America. While some footwear designs from foreign countries have won for themselves an accepted place in the American shoe market because of design alone, in the great majority of cases foreign footwear has earned its place in the U.S. economy solely because of differences in price. By far the greater part of the imports today are styled in America and made in Europe or Japan for the U.S. market.

It is easy to show in an example how important these differences in prices between foreign and domestic footwear become in the highly competitive footwear industry. About 175 million pairs of women's shoes sell at $2.98, $3.98, $4.98, and $5.98 a pair through the great mass shoe distributors of America. These retailers provide consumers with amazing values in shoes. They are, however, in intensive competition with each other for a greater share of the market. They, as well as shoe manufacturers, face a rising trend of costs. The cost squeeze requires them to search continuously for ways and means to increase markon in order to widen profit margins. In a $3.98 shoe, for example, as costs inch up, the retailer is forced to shorten his markon or move from the $3.98 to the $4.98 bracket. As there is a price elasticity in the demand for footwear, the retailer realizes that a move to a higher bracket may curtail his market or place him at a disadvantage against strong competition, or both.

If, however, he can purchase these shoes abroad wholesale at important savings, then he can maintain his $3.98 bracket and at the same time increase his markon to meet heavier expenses. There is every encouragement, therefore, to buying more from lower wage countries to hold the price line and increase markon. In a few cases, manufacturers of shoes who have been suppliers to large distributive outlets or who own distributive outlets, have been forced to curtail certain domestic production and open up factories abroad, simply because they could not meet import competition and supply their customers, whether wholesale or retail, with shoes at the right price.

It is clear, too, from these comments why the shoe manufacturing industry is vitally concerned in maintaining even its present scale of low tariffs. Any reductions, for example, in the present duty of 20 percent on women's cement shoes would inevitably accelerate the growth rate of imports of these types in the United States from still other countries. Some countries now very easily jump the hurdle of our tariffs. However, as these tariffs become lower, other runners will also be able to jump over them.

SHOE TARIFFS ALREADY THE LOWEST OF ANY TRADING NATION

Shoe tariffs in the United States are the lowest of any important trading country in the world, as the next table will show. In the United States, too, there are no excise taxes or other restrictions which must be taken into consideration in calculating the final level of costs in certain countries.

Foreign duty-tax rates on U.S. footwear versus actual 1960 duty paid on footwear imported into United States

Country	Duty, percent rate [1]	Other taxes [2] (percent)	Net duty plus taxes (percent)	U.S. duty, percent paid [3]
Common Market:				
Belgium	16.0–21.6	12	30.0–36.0	6.7
France	16.0–22.3	25.0+2.0	48.0–53.0	11.4
West Germany	12.5–16.0	6.0	19.0–23.0	8.6
Italy	[4] 18.0	5.8	24.8	13.8
Netherlands	16.0–21.6	5.0	22–0–27.0	16.6
Luxembourg	16.0–21.6	4.0	21.0–26.0	[5]
Japan	20.0–30.0	20.0	40.0–50.0	18.8
Hong Kong	[6]	[6]		16.3
United Kingdom	[7]	5.0	11.5–36.5	7.2
Canada	[8] 27½	11.0	41.5	9.7
All countries	[5]	[5]	[5]	12.6

NOTES

[1] Based on cost, insurance, and freight or landed cost values, except for Canada.
[2] Applied to duty paid value. This results in net duty plus taxes being greater than mere addition of duty plus tax rates.
[3] Based on 1960 footwear imports, f.o.b. shipping point values. Duty actually paid.
[4] Maximum of 720 lire duty per pair.
[5] Not available.
[6] Free port.
[7] 3 shillings per pair or 10 to 30 percent, whichever is higher.
[8] Applied to U.S. market value or invoice, whichever is higher.

Source: NSMA, based on customs schedules and reports from U.S. embassies, U.S. Department of Agriculture.

LITTLE RECIPROCITY IN PAST NEGOTIATIONS

This comparison of tariff schedules of the United States and foreign countries indicates further that there has been little reciprocity in previous trade negotiations. This may have been all very well during the reconstruction stage of European and Japanese industry. It throws the trading picture completely out of balance today when the same technology and equipment are used in foreign countries as in the United States, and these countries have the additional advantage of cheap labor.

In judging the various levels of tariffs and the question of reciprocity, moreover, we must not forget that some of our Common Market friends have not been as generous as our negotiators. They have been discriminating against Japan and under GATT have refused most-favored-nation treatment to Japan because of low wage rates in that country. They do not hesitate to provide protection for their manufacturers against imports from low-wage countries. These Common Market countries recognize what it means to compete with a low-wage country in the world's market.

We believe at this stage of world industrial development that the United States must insist in its negotiations on real reciprocity. Business Week has commented on this point as follows: "It is essential, however, that we treat this matter from the start on a business basis. The postwar period of European weakness is over. We are now dealing with commercial equals from whom we have every right to expect a quid pro quo—if not some credit for one-sided concessions we have made in the past. Our new trade policy should be shaped—and used—accordingly. Even if we assume that this authority to wipe out certain tariffs would be an advantage in getting Europe to bargain, some limits and safeguards need to be put on it. For example, the administration should not be free to reduce U.S.

[1] In most cases the export demand is more important for foreign countries than it is for U.S. producers.

Italy, for example, exported about 42 percent of leather footwear production of 59,710,000 [a] pairs produced in 1961, or around 25 million pairs. Of this 25 million,[b] approximately 15 million go to the Common Market countries and 10,940,542 [a] to the United States, or about 18 percent of her total output.

The United Kingdom, out of a total production of 161,120,000 [a] pairs in 1961 exported 7.3 [b] million pairs, with 1,607,691 [a] million pairs coming to the United States.

France exported about 11 million [a] pairs of shoes out of a production of 96,600,000 [a] million pairs in 1961. Few come to America; 9,000,000 pairs.[a]

[a] U.S. Department of Commerce.
[b] Organization for Economic Cooperation & Development, France.

tariffs to zero on several broad product categories while EEC in return cuts its common tariff 20 percent overall. From the statistics, such a swap might appear to be to our benefit. But chances are that the Europeans would gain more. The absence of tariffs in the United States, even on a limited number of categories, would enable them to penetrate our markets more deeply than we could theirs, as long as they retained a tariff wall."

RECOMMENDATIONS

We recognize that Congress may pass a trade expansion program. We urge, therefore, the inclusion of certain safeguards for domestic industry in the final form of this trade legislation.

1. We strongly endorse the principle embodied in the proposal which Senator MUSKIE will introduce in the Senate and urge the trade bill be amended to provide for the establishment of negotiating procedures for orderly marketing which will offer a nation in which wages are significantly lower than in the United States a fair share in the growth or change in domestic consumption in such manner as will also prevent unfair competitive advantage over manufacturers and producers in the United States.

2. We also recommend that the Tariff Commission should, under section 221 of the proposed bill, after holding hearings, be directed to report to the President in advance of negotiation the level of duty or import restriction on any article or articles below which domestic producers of such articles would suffer serious injury from importation. The President should inform Congress where reductions are made in tariff duties or restrictions below such levels.

In conclusion: The American shoe industry asks this simple consideration—a fair competitive chance of survival as an industry paying the world's highest shoeworkers' wages.

Mr. MUSKIE. We are talking here, Mr. President, about an industry which is important to hundreds of small communities throughout the Nation. It is made up of approximately 850 companies with over 1,350 plants in over 550 small towns and cities, as well as in the major metropolitan areas of Boston, New York, St. Louis, Philadelphia, Pittsburgh, Chicago, Milwaukee, Cincinnati, Newark, Jersey City, San Francisco, Oakland, Los Angeles, Providence, Baltimore and Seattle. These towns and cities are within over 260 congressional districts in 38 States. Plants are also located in Puerto Rico.

I have here a report listing the towns and cities with shoe manufacturing plants in 37 States. It reports employment data for shoe manufacturing and related industries for 27 States for which such information was available. Total employment for the shoe industry and related industries is estimated at between 350,000 and 400,000 employees.

I ask unanimous consent that this report be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. MUSKIE. Mr. President, the trade bill we enact this year will be of tremendous importance, not only in its immediate impact on our economy, but also in the direction it establishes for the whole course of our future trade policy. I believe any rational trade policy must include specific tools for dealing with imports from low-wage countries. The trade bill, as of today, does not include such authority. My amendment would provide it.

To those Members of the Senate who wish to expand trade and provide reasonable protection to domestic industries I commend this amendment. It will not shut the door to imports; it will give foreign manufacturers an opportunity to share in the growth of the American market on an equitable basis. At the same time domestic manufacturers will know that they have a remedy against unfair competition, and the President will have a flexible tool in dealing with troublesome import problems from those areas of the world where wages and working conditions have not kept pace with industrialization.

I urge my colleagues to give serious consideration to cosponsorship of this amendment. I hope it will be adopted.

EXHIBIT 1

NUMBER OF EMPLOYEES IN FOOTWEAR MANUFACTURING AND RELATED INDUSTRIES AND LOCATION OF SHOE PLANTS IN THE STATE OF MASSACHUSETTS

State total

Footwear, nonrubber	40,076
Rubber footwear	6,616
Leather, tanning	8,037
Leather, cut stock	7,817
Shoe machinery and other suppliers	11,364
Grand total	73,892

Location of shoe manufacturing plants

North Adams, Orange, Sturbridge, Athol, Brookfield, East Brookfield, Fitchburg, Marlboro, Milford, Oxford, Spencer, Ware, Webster, Worcester, Holliston, Hudson, Lowell, Natick, Amesbury, Beverly, Danvers, Georgetown, Haverhill, Marblehead, Merrimac, Methuen, Newburyport, Rowley, Salem, Salisbury, Chelsea, Lawrence, Lynn, Peabody, Everett, Stoneham, Wakefield, North Reading, Bridgewater, Middleboro, New Bedford, Rockland, Sagamore, Whitman, Boston, Cambridge, Sommerville, Braintree, Brockton, East Weymouth, Randolph, South Weymouth, Stoughton, East Taunton, Millis, and Norfolk.

Source: Employment figures (1959) for all States in this report for footwear, leather tanning, cut stock are from "County Business Patterns"; U.S. Departments of Commerce; Health, Education, and Welfare; U.S. Government Printing Office, Washington, D.C., 1961. Shoe machinery and other suppliers' employment figures (1962) are from National Shoe Manufacturers Association, New York, N.Y., 1962. Plant locations are from "American Shoemaking Directory," Shoe Trades Publishing Co., Boston, Mass., 1961.

NUMBER OF EMPLOYEES IN FOOTWEAR MANUFACTURING AND RELATED INDUSTRIES AND LOCATION OF SHOE PLANTS IN THE STATE OF NEW YORK

State total

Footwear, nonrubber	24.946
Leather, tanning	4,640
Leather, cut stock	2,565
Shoe machinery and other suppliers	7,001
Grand total	39,152

Location of shoe manufacturing plants

Babylon (West) Long Island (Long Island); L.I.C. Queens (Long Island City); Astoria, Long Island; Brooklyn, N.Y.; New York City, Ossining, Middletown, Port Jervis, Saugerties, Hoosick Falls, Mooers, Amsterdam, Gloversville, Johnstown, St. Johnsville, Bombay, Brushton, Malone, Moira, Saranac, Dolgeville, Little Falls, Syracuse, Auburn, Norwich, Binghamton, Endicott, Johnson City, Oswego, Rochester, Batavia, and Dansville.

NUMBER OF EMPLOYEES IN FOOTWEAR MANUFACTURING AND RELATED INDUSTRIES AND LOCATION OF SHOE PLANTS IN THE STATE OF MISSOURI

State total

Footwear, nonrubber	28,867
Leather, cut stock	2,968
Shoe machinery and other suppliers	1,022
Grand total	32,857

Location of shoe manufacturing plants

St. Louis, Odessa, Warrenburg, Windsor, Brookfield, Hamilton, Aurora, Eldorado Springs, Mansfield, Marionville, Monett, Mountain Grove, Neosho, Sarcoxie, Belle, Cabool, Cuba, Desloge, De Sota, Dixon, Farmington, Fredericktown, Houston, Potosi, Richland, Rolla, Salem, West Plains, Willow Springs, Bland, Hannibal, Hermann, Jonesburg, Kirksville, Mexico, Owensville, Pacific, Palmyra, St. Clair, Sullivan, Trenton, Union, Washington, Advance, Bernie, Cape Girardeau, Caruthersville, Chaffee, Charleston, Dexter, Jackson, Lutesville, Perryville, Poplar Bluff, Sikeston, Boonville, Eldon, Jefferson City, Marshall, Sedalia, Slater, Sweet Springs, Tipton, and Versailles.

NUMBER OF EMPLOYEES IN FOOTWEAR MANUFACTURING AND RELATED INDUSTRIES AND LOCATION OF SHOE PLANTS IN THE STATE OF PENNSYLVANIA

State total

Footwear, nonrubber	23,225
Rubber footwear	803
Leather tanning	3,813
Leather, cut stock	1,117
Shoe machinery and other suppliers	279
Grand total	29,237

Location of shoe manufacturing plants

Philadelphia, Collingdale, Allentown, Coopersburg, Macungie, Akron, Columbia, Denver, Elizabethtown, Ephrata, Lancaster, Lititz, Marietta, Maytown, Mount Joy, Archbald, Forest City, Honesdale, Mildred, Montrose, Scranton, South Montrose, Dunmore, Tunkhannock, Catawissa, Hazleton, Mocanaqua, Nanticoke, Wilkes-Barre, Auburn, Cresonna, Milton, Mount Carmel, Orwigsburg, Schuylkill, Shamokin, Souderton, Bernville, Boyertown, Kutztown Reading, Stroudsburg, Annville, Elizabethville, Halifax, Harrisburg, Lebanon, Middletown, Millersburg, Myerstown, Palmyra, Richland, Sayre, Williamsport, Beaver Springs, Bedford, Milroy, Mount Union, Somerset, Carlisle, Dillsburg, East Berlin, Fairfield, Gettysburg, Hanover, Littlestown, McSherrystown, New Cumberland, New Oxfo d, Newsville, Wellsville, Altoona, Martinsburg, Hastings, Oil City, Meadville, and Pittsburgh.

NUMBER OF EMPLOYEES IN FOOTWEAR MANUFACTURING AND RELATED INDUSTRIES AND LOCATION OF SHOE PLANTS IN THE STATE OF MAINE

State total

Footwear, nonrubber	20,775
Leather, tanning	1,336
Leather, cut stock	1,011
Shoe machinery and other suppliers	713
Grand total	23,835

Location of shoe manufacturing plants

Biddeford, Brunswick, Freeport, Harrison, Kennebunk, Norway, Portland, Saco, Sanford, Scarborough, South Berwick, Springvale, Westbrook, Yarmouth, Auburn, Belfast, Farmington, Gardiner, Hallowell, Harmony, Lewiston, Livermore Falls, Norridgewock, North Jay, Pittsfield, Richmond, Skowhegan, Wilton, Bangor, Dexter, Hampden, Houlton, Kenduskeag, Old Town, Orono, and South Brewer.

NUMBER OF EMPLOYEES IN FOOTWEAR MANUFACTURING AND RELATED INDUSTRIES AND LOCATION OF SHOE PLANTS IN THE STATE OF NEW HAMPSHIRE

State total

Footwear, nonrubber	17,895
Leather tanning	1,637
Leather cut stock	1,627
Shoe machinery and other suppliers	925
Grand total	22,084

Location of shoe manufacturing plants

Deerfield, Derry, Dover, East Rochester, Epping, Exeter, Farmington, Goffstown, Gonic, Intervale, Keene, Laconia, Newmarket, Pittsfield, Portsmouth, Raymond, Rochester, Seabrook, Somersworth, Fitzwilliam, Lisbon, Littleton, Manchester, Nashua, and Newport.

NUMBER OF EMPLOYEES IN FOOTWEAR MANUFACTURING AND RELATED INDUSTRIES AND LOCATION OF SHOE PLANTS IN THE STATE OF WISCONSIN

State total

Footwear, nonrubber	9,653
Leather, tanning	4,270
Leather, cut stock	218
Shoe machinery and other suppliers	124
Grand total	14,265

Location of shoe manufacturing plants

Beloit, Berlin, Edgerton, Beaver Dam, Fox Lake, Jefferson, Lake Mills, Limira, Oconomowoc, Portage, Stoughton, Waterloo, Watertown, La Crosse, Milwaukee, Belgium, Campbellsport, Cedar Grove, New Holstein, Oshkosh, Ripon, Sheboygan, Thiensville, Waupun, Antigo, Marshfield, Princeton, Wausau, Oconto, Pulaski, Sturgeon Bay, Valders, Wrightstown, Chippewa Falls, Hawkins, Merrill, Rib Lake, and Webster.

NUMBER OF EMPLOYEES IN FOOTWEAR MANUFACTURING AND RELATED INDUSTRIES AND LOCATION OF SHOE PLANTS IN THE STATE OF TENNESSEE

State total

Footwear, nonrubber	9,960
Leather, tanning	700
Leather, cut stock	606
Shoe machinery and other suppliers	760
Grand total	12,026

Location of shoe manufacturing plants

Greenville, Baxter, Cookeville, Cowan, Lebanon, Lewisburg, McMinnville, Tullahoma, Nashville, Ashland City, Centerville, Clarksville, Erin, Franklin, Gallatin, Hohenwald, Pulaski, Springfield, Waynesboro, Camden, Lexington, Savannah, Selmer, Dresden, Dyer, Humboldt, Martin, and Union City.

NUMBER OF EMPLOYEES IN FOOTWEAR MANUFACTURING AND RELATED INDUSTRIES AND LOCATION OF SHOE PLANTS IN THE STATE OF OHIO

State total

Footwear, nonrubber	9,254
Leather, tanning	1,105
Leather, cut stock	208
Shoe machinery and other suppliers	1,358
Grand total	11,925

Location of shoe manufacturing plants

Cincinnati, Harrison, Chillicothe, Greenfield, Higginsport, Portsmouth, Ripley, Washington Court House, Lancaster, Logan, Nelsonville, and Columbus.

NUMBER OF EMPLOYEES IN FOOTWEAR MANUFACTURING AND RELATED INDUSTRIES AND LOCATION OF SHOE PLANTS IN THE STATE OF NEW JERSEY

State total

Footwear, nonrubber	1,840
Leather, tanning	2,778
Leather, cut stock	-----
Shoe machinery and other suppliers	478
Grand total	5,096

Location of shoe manufacturing plants

New Brunswick, Burlington, Mount Holly, Perth Amboy, East Paterson, Garfield, Hackensack, Paterson, North Bergen, Union City, Newark, and Jersey City.

NUMBER OF EMPLOYEES IN FOOTWEAR MANUFACTURING AND RELATED INDUSTRIES AND LOCATION OF SHOE PLANTS IN THE STATE OF VIRGINIA

State total

Footwear, nonrubber	3,651
Leather tanning	541
Leather, cut stock	118
Shoe machinery and other suppliers	391
Grand total	4,701

Location of shoe manufacturing plants

Chase City, Farmville, Victoria, Halifax, Lynchburg, and Fredericksburg.

NUMBER OF EMPLOYEES IN FOOTWEAR MANUFACTURING AND RELATED INDUSTRIES AND LOCATION OF SHOE PLANTS IN THE STATE OF ARKANSAS

State total

Footwear, nonrubber	3,907
Shoe machinery and other suppliers	81
Grand total	3,988

Location of shoe manufacturing plants

Corning, Harrisburg, Jonesboro, Leachville, Osceola, Paragould, Piggott, Wynne, Batesville, Newport, Pocahontas, Searcy, Clarksville, Conway, Little Rock, Russellville, De Witt, and Stuttgart.

NUMBER OF EMPLOYERS IN FOOTWEAR MANUFACTURING AND RELATED INDUSTRIES AND LOCATION OF SHOE PLANTS IN THE STATE OF CALIFORNIA

State total

Footwear nonrubber	2,810
Leather, tanning	624
Leather, cut stock	204
Shoe machinery and other suppliers	17
Grand total	3,655

Location of shoe manufacturing plants

Santa Monica, Compton, Gardena, El Monte, Los Angeles, Monterey Park, Pasadena, Canoga Park, North Hollywood, South Pasadena, Rosemead, Whittier, Pomona, Chino, Ontario, Fullerton, Garden Grove, Santa Rosa, San Francisco, Oakland, San Carlos, and Fresno.

NUMBER OF EMPLOYEES IN FOOTWEAR MANUFACTURING AND RELATED INDUSTRIES AND LOCATION OF SHOE PLANTS IN THE STATE OF MISSISSIPPI

State total

Footwear, nonrubber, 1,787.

Location of shoe manufacturing plants

Ackerman, Booneville, Fulton, Iuka, and Ripley.

NUMBER OF EMPLOYEES IN FOOTWEAR MANUFACTURING AND RELATED INDUSTRIES AND LOCATION OF SHOE PLANTS IN THE STATE OF NEW MEXICO

State total

Footwear, nonrubber, 109.

Location of shoe manufacturing plants

Clovis, Santa Fe, and Taos.

NUMBER OF EMPLOYEES IN FOOTWEAR MANUFACTURING AND RELATED INDUSTRIES AND LOCATION OF SHOE PLANTS IN THE STATE OF TEXAS

State total

Footwear, nonrubber	1,955
Leather tanning	115
Shoe machinery and other suppliers	7
Grand total	2,077

Location of shoe manufacturing plants

Denison, Garland, College Station, Huntsville, Houston, Temple, Fort Worth, Henrietta, Nocona, Wichita Falls, Raymondville, Mercedes, El Paso, Abilene, Amarillo, Big Spring, Lubbock, San Antonio, Brownwood, Lampasas, and San Angelo.

NUMBER OF EMPLOYEES IN FOOTWEAR MANUFACTURING AND RELATED INDUSTRIES AND LOCATION OF SHOE PLANTS IN THE STATE OF KENTUCKY

State total

Footwear, nonrubber	1,896

Location of shoe manufacturing plants

Hopkinsville, Paducah, Maysville, Vanceburg, Danville, and Frankford.

NUMBER OF EMPLOYEES IN FOOTWEAR MANUFACTURING AND RELATED INDUSTRIES AND LOCATION OF SHOE PLANTS IN THE STATE OF RHODE ISLAND

State total

Rubber footwear	1,658
Leather, cut stock	235
Shoe machinery and other suppliers	392
Grand total	2,285

Location of shoe manufacturing plants

Bristol, Pawtucket, and Providence.

NUMBER OF EMPLOYEES IN FOOTWEAR MANUFACTURING AND RELATED INDUSTRIES AND LOCATION OF SHOE PLANTS IN THE STATE OF MICHIGAN

State total

Footwear, nonrubber	990
Leather tanning	1,012
Shoe machinery and other suppliers	4
Grand total	2,006

Location of shoe manufacturing plants

Coldwater, Holland, Rockford, Flint, Greenville, Ithaca, and Big Rapids.

NUMBER OF EMPLOYEES IN FOOTWEAR MANUFACTURING AND RELATED INDUSTRIES AND LOCATION OF SHOE PLANTS IN THE STATE OF ILLINOIS

State total

Footwear, nonrubber	11,977
Leather, tanning	2,340
Leather, cut stock	312
Shoe machinery and other suppliers	26
Grand total	14,655

Location of shoe manufacturing plants

Chicago, Quincy, Zion, Dixon, Pontiac, Casey, Greenup, Paris, Robinson, Springfield, Charleston, Decatur, Mattoon, Sullivan, Vandalia, Carlyle, Flora, Litchfield, Mount Vernon, Olney, Salem, Belleville, Highland, New Athens, Anna, Evansville, Murphysboro, Pittsfield, Steeleville, and South Beloit.

NUMBER OF EMPLOYEES IN FOOTWEAR MANUFACTURING AND RELATED INDUSTRIES AND LOCATION OF SHOE PLANTS IN THE STATES OF DELAWARE AND MINNESOTA

State total (Delaware)

Leather tanning, 1,413.

State total (Minnesota)

Footwear, nonrubber, 1,105.

Delaware, no shoe manufacturing plants.

Location of shoe manufacturing plants, Minnesota

Red Wing, Winona, Stillwater, St. Paul, Minneapolis, and Duluth.

NUMBER OF EMPLOYEES IN FOOTWEAR MANUFACTURING AND RELATED INDUSTRIES AND LOCATION OF SHOE PLANTS IN OTHER STATES

Footwear, nonrubber, not available for States listed: Iowa, Kansas, Maryland, Nebraska, North Carolina, Oregon, Washington, West Virginia and Hawaii.

Location of shoe manufacturing plants—Maryland

Baltimore, Belcamp, Westminster, Laurel, Emmitsburg, Hagerstown, and Thurmont.

Nebraska

Omaha and Columbus.

North Carolina

Asheboro, Winston-Salem, Burlington, Mount Gilead, Granite Quarry, Shelby, Cherokee, and Waynesville.

Oregon

Scappoose, Portland, and Rouge River.

West Virginia

Huntington.

Washington

Seattle, Centralia, and Spokane.

Hawaii

Honolulu.

Iowa

Davenport, Fort Madison, Keokuk, and Grinnell.

Kansas

Leavenworth and Olathe.

NUMBER OF EMPLOYEES IN FOOTWEAR MANUFACTURING AND RELATED INDUSTRIES AND LOCATION OF SHOE PLANTS IN THE STATE OF CONNECTICUT

State total

Footwear, nonrubber	1,932
Leather, tanning	205
Shoe machinery and other supplies	633
Grand total	2,770

Location of shoe manufacturing plants

Hartford, Jewett City, Middletown, North Grosvenordale, Norwich, Bridgeport, East Norwalk, Norwalk, Shelton, South Norwalk, and Naugatuck.

NUMBER OF EMPLOYEES IN FOOTWEAR MANUFACTURING AND RELATED INDUSTRIES AND LOCATION OF SHOE PLANTS IN THE STATE OF GEORGIA

State total

Footwear, nonrubber	2,603
Shoe machinery and other supplies	144
Grand total	2,747

Location of shoe manufacturing plants

Metter, Buena Vista, Carrollton, Atlanta, Marietta, Waycross, Blackshear, Flowery Branch, and Lawrenceville.

NUMBER OF EMPLOYEES IN FOOTWEAR MANUFACTURING AND RELATED INDUSTRIES AND LOCATION OF SHOE PLANTS IN THE STATE OF INDIANA

State total

Footwear, nonrubber	1,644
Leather, tanning	247
Shoe machinery and other supplies	733
Grand total	2,624

Location of shoe manufacturing plants

Michigan City, Mishawaka, Vincennes, Crothersville, Freetown, French Lick, Madison, Medora, Osgood, Seymour, Vevay, and Winchester.

NUMBER OF EMPLOYEES IN FOOTWEAR MANUFACTURING AND RELATED INDUSTRIES AND LOCATION OF SHOE PLANTS IN OTHER STATES

Footwear, nonrubber; employment figures not available.

Location of shoe manufacturing plants

Colorado: Denver, Grand Junction.

Alabama: Luverne, Uniontown, and Huntsville.

Arizona: Gilbert, Phoenix, Nogales, and Tucson.

Florida: Gulfport, Chipley, Hialeah, Miami, and Hollywood.

NUMBER OF EMPLOYEES IN FOOTWEAR MANUFACTURING AND RELATED INDUSTRIES AND LOCATION OF SHOE PLANTS IN OTHER STATES

State total (Puerto Rico)

Footwear, nonrubber	2,082
Leather tanning	230
Shoe machinery and other suppliers	125
Grand total	2,437

State total (Vermont)

Leather tanning	216
Shoe machinery and other suppliers	750
Grand total	966

Location of plants not available.

ADJOURNMENT

Mr. MUSKIE. Mr. President, if there is no further business to come before the Senate at this time, I move that the Senate adjourn until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock and 34 minutes p.m.) the Senate adjourned until tomorrow, Friday, August 3, 1962, at 12 o'clock meridian.

CONFIRMATION

Executive nomination confirmed by the Senate August 2, 1962:

PUBLIC UTILITIES COMMISSION OF THE DISTRICT OF COLUMBIA

Edgar H. Bernstein, of the District of Columbia, to be a member of the Public Utilities Commission of the District of Columbia for a term of 3 years expiring June 30, 1965.

87TH CONGRESS
2D SESSION

H. R. 11970

IN THE SENATE OF THE UNITED STATES

AUGUST 2, 1962

Referred to the Committee on Finance and ordered to be printed

AMENDMENTS

Intended to be proposed by Mr. MUSKIE (for himself, Mr. BARTLETT, Mr. CHAVEZ, Mr. COTTON, Mr. DODD, Mr. MURPHY, Mr. PASTORE, Mr. PELL, Mr. WILEY, Mr. LONG of Missouri, and Mr. RANDOLPH) to the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes, viz:

On page 2, between lines 13 and 14, insert the following:

"(5) to establish orderly marketing negotiating procedures which will offer nations in which wages or working standards are significantly lower than in the United States a fair share in the growth or change in

the domestic consumption in such manner as will also prevent unfair competitive advantage over United States manufacturers or producers."

On page 3, between lines 20 and 21, insert the following:

"SEC. 203. SPECIAL AUTHORITY FOR IMPORTS FROM NATIONS WITH LOW WAGES OR WORKING STANDARDS.

"In the case of trade with any nation or nations in which wages, including fringe benefits, and working standards with respect to manufacturing industries are substantially lower than such wages, including fringe benefits, and working standards in the United States, the Tariff Commission shall, upon request of the President, or upon its own motion, or upon application of an interested party, conduct a public hearing and investigation to determine whether or not as to any article or articles imported into the United States from such nation or nations there exists a differential between domestic and foreign costs of production which is due primarily to such lower wages, including fringe benefits, and working standards and which gives foreign manufacturers and producers of such article or articles an unfair competitive advantage over domestic manufacturers or producers of like or competitive articles such as to cause or threaten substantial injury to such domestic manu-

facturers or producers in the United States market. If the Tariff Commission shall, as a result of such investigation, find that injury is so caused or threatened, the President may, pursuant to section 201 (a), negotiate with such nation or nations and proclaim such import restrictions as are appropriate to provide such foreign competition and domestic manufacturers or producers with an opportunity for a fair share in the growth or change in the domestic market for such article or articles. Agreements, negotiated under this section may be without regard to the provisions of section 251 or title III."

87TH CONGRESS
2D SESSION

H. R. 11970

AMENDMENTS

Intended to be proposed by Mr. MUSKIE (for himself, Mr. BARTLETT, Mr. CHAVEZ, Mr. COTTON, Mr. DODD, Mr. MURPHY, Mr. PASTORE, Mr. PELL, Mr. WILEY, Mr. LONG of Missouri, and Mr. RANDOLPH) to the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes.

AUGUST 2, 1962
Referred to the Committee on Finance and ordered to be printed

87TH CONGRESS
2D SESSION

H. R. 11970

IN THE SENATE OF THE UNITED STATES

AUGUST 2, 1962

Referred to the Committee on Finance and ordered to be printed

AMENDMENTS

Intended to be proposed by Mr. BUSH (for himself, Mr. ALLOTT, Mr. BENNETT, Mr. CAPEHART, Mr. HICKEY, Mr. SALTONSTALL, Mr. THURMOND, and Mr. TOWER) to the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes, viz:

On page 2, line 20, strike out "any of the" and insert in lieu thereof "the first purpose together with any of the other".

On page 3, strike out lines 14 through 20.

On page 4, line 6, before the period insert the following: ", and that the United States accounted for 25 percent or more of such value".

On page 4, line 19, before the period insert ", and modifications thereof".

On page 4, beginning with "Such" in line 22, strike out all through line 2, on page 5, and insert in lieu thereof the following: "Such modification by the Tariff Commission shall be made (i) for the purpose of correction in which event it must be made before the date on which the first list of articles specifying this section is furnished by the President to the Tariff Commission pursuant to section 221), or (ii) for the purpose of excluding articles on which the Commission finds in its investigation under section 221 (b) that a reduction in duties below the limit specified in section 201 (b) (1) would cause or threaten serious injury to the domestic industry, sector of agriculture, or workers producing like or directly competitive articles."

On page 5, line 18, strike out "in use" and insert in lieu thereof "made public".

On page 5, line 22, strike out "and".

On page 6, line 2, strike out the period and insert in lieu thereof ", and".

On page 6, between lines 2 and 3, insert the following:

"(iii) for which payment is not made nor undertaken to be made in the currency of the exporting nation on a commercial basis."

On page 6, line 14, strike out the period and insert in lieu thereof the following: ", and make them public."

On page 6, line 18, strike out the period and substitute in lieu thereof the following: ", or to any article as to which the Tariff Commission finds in its investigation under section 221 (b) that a reduction in duties below the limit specified in section 201 (b) (1) would cause or threaten serious injury to the domestic industry, sector of agriculture, or workers producing like or directly competitive articles."

On page 7, line 11, strike out "and".

On page 7, between lines 11 and 12, insert the following:

"(3) such article is not directly competitive with an article produced in significant quantities in the United States; and".

On page 7, line 12, strike out "(3)" and insert "(4)".

On page 8, line 12, strike out "and".

On page 8, line 14, after the comma insert "and".

On page 8, between lines 14 and 15, insert the following:

"(3) whether or not such article is directly competitive with an article produced in significant quantity in the United States,".

On page 9, strike out lines 5 through 11, and insert in lieu thereof the following:

"(b) (1) Upon receipt of such list, the Commission shall make an investigation and report to the President its findings with respect to each such article as to—

"(A) the limit to which such modification or continuance may be extended without causing or threatening serious injury to the domestic industry, sector of agriculture, or workers producing like or directly competitive articles; and

"(B) if increases in duties or additional import restrictions are required to avoid serious injury to the domestic industry, sector of agriculture, or workers producing like or directly competitive articles, the minimum increases in duties or additional import restrictions required.

Such report shall be made by the Commission to the President not later than six months after the receipt of such a list by the Commission.

"(2) If in the course of any such investigation the Commission shall determine that a modification of duties or other import restrictions, or the continuance of existing customs or excise treatment, applicable to any imported article would likely result in (A) a significant decline in the share of the domestic market supplied by domestic products in relation

to a representative base period (taking into account a decline in order bookings of domestic industries producing articles requiring a long leadtime in production), and (B) either—

"(i) a significant decline in the net earnings of the domestic industry producing such products, or

"(ii) a decline in employment, a loss of wages due to shortened work periods, or a decline in wage rates in such domestic industry,

the Commission shall make a finding that such modification of duties and other import restrictions, or continuance of existing customs or excise treatment, cannot be made without causing or threatening serious injury to the domestic industry producing like or directly competitive articles.

"(3) In the course of any investigation pursuant to this section the Commission shall hold hearings and give reasonable public notice thereof, and shall afford reasonable opportunity for parties interested to be present, to produce evidence, and to be heard at such hearings."

On page 10, line 9, after "for" insert ", or grant a concession consisting of,".

On page 10, line 23, strike out "or 351".

On page 11, beginning with the word "During" in line 9, strike out all through line 10 and insert in lieu thereof the following: "The President shall also reserve".

On page 12, line 9, strike out "advice" and insert in lieu thereof "findings".

On page 12, between lines 11 and 12, insert the following:

"SEC. 226. ESSENTIAL CONDITIONS FOR GRANTING CONCESSIONS.

"(a) The President shall not proclaim any modification of existing duties or other import restrictions, or a continuance of existing customs or excise treatment of any article covered by a trade agreement entered into under this Act, unless he finds as a fact that the countries of the European Economic Community which are parties to such agreement and would by the terms of such agreement receive the benefit of such modifications or continuance have, except as otherwise permitted by the terms of such agreement, committed themselves to admit like articles exported from the United States on terms and conditions no less favorable than those which would be applicable to their exports of such articles when imported into the United States if the President were to proclaim the modification or continuance provided for in such foreign trade agreement.

"(b) In the course of negotiating a trade agreement, the President shall not make an offer, or grant in whole or in part a request, for the modification or continuance of duty-free or excise treatment with respect to any article, unless the

country or instrumentality to which such offer is made, or which requests the modification or continuance, is the principal supplier of such article in world export trade (not including the exports of the United States) as shown by the value of the exports of such article by such country or instrumentality in relation to the total world export value of such article (excluding the value of United States exports) during the most recent two-year period preceding the negotiations for which data is available.

"(c) The President shall not proclaim any modification of existing duties or other import restrictions, or a continuance of existing customs or excise treatment of any article covered by a trade agreement, unless he finds as a fact that the foreign countries which are parties to such agreement and would by the terms of such agreement receive the benefit of such modification or continuance have committed themselves to admit like articles exported from countries other than the United States and other than those countries referred to in section 231 free from quantitative and other nontariff restrictions and subject to duties and other charges no greater than those which would be applicable to such articles when imported into the United States if the President were to proclaim the modification or continuance provided for in such trade agreement."

On page 12, line 12, strike out "226" and insert in lieu thereof "227".

On page 12, strike out lines 15 through 18 and substitute in lieu thereof the following: "this title, together with a statement accurately identifying any article with respect to which the limits or minimum requirements found and reported by the Tariff Commission under sections 221 (b) and 408 (c) are not complied with, and stating his reasons for the action taken with respect to each such article."

On page 16, line 14, strike out "and chapter 4 of title III".

On page 16, lines 15 and 16, strike out the words "a Cabinet officer selected by the President", and insert in lieu thereof "the Secretary of Commerce".

On page 17, line 10, strike out "unjustifiable".

On page 18, between lines 13 and 14, insert the following:

"SEC. 244. PARTICIPATION BY INDUSTRY, AGRICULTURE, AND LABOR IN NEGOTIATIONS.

"It is hereby declared to be the sense of the Congress that the President, during the course of negotiating any trade agreement, should seek information and advice with respect to each distinct and homogenous grouping of articles which is the subject of negotiations from the representatives

of the domestic industry, agricultural sector, and labor producing the like or directly competitive articles."

On page 18, line 23, strike out "unjustifiable".

On page 19, line 14, strike out "unlimited".

On page 19, line 19, strike out "unjustifiably".

On page 19, lines 20 and 21, strike out ", to the extent that such action is consistent with the purposes of section 102".

On page 20, line 5, strike out "unjustifiable".

On page 22, between lines 14 and 15, insert the following:

"(c) The President shall, at the end of the period specified in any trade agreement, terminate, by appropriate modification of the proclamation which made it effective, any concession granted by the United States to the European Economic Community under the authority of section 211, if he determines, under the criteria of that section, with reference to the most recent two-year period for which data is available, either (1) that the United States exports did not account for at least 25 percent of the aggregated world export value of the articles in the category covered by the concession, or (2) that the United States and the European

Economic Community together did not account for 80 percent or more of such value during such period.

"(d) Whenever any foreign country, party to a trade agreement entered into under this Act, suspends, withdraws, or otherwise abrogates a commitment referred to in subsection (a) or (c) of section 226, in violation of the provisions of trade agreements, the President shall forthwith notify such country of the intention of the United States to terminate the concession or concessions granted by the United States in reliance on such commitment. If the foreign country after such notification fails promptly to restore the commitment into full force and effect, the President shall forthwith terminate such concession or concessions by appropriate modification of the proclamation which made it or them effective."

On page 26, line 6, strike out "6, 7,".

On page 26, strike out lines 12 through 19.

On page 27, strike out lines 7 through 10, and insert in lieu thereof the following:

"(a) (1) Petitions by domestic industries for import adjustment shall be filed with the Tariff Commission under section 7 of the Trade Agreements Extension Act of 1951, as amended (19 U.S.C., sec. 1364); and petitions by firms or groups of workers for determinations of eligibility to apply for adjustment assistance may be filed with the Tariff Commission under subsection (c) of this section. In".

On page 28, strike out lines 2 through 4, and insert in lieu thereof the following: "a result, in whole or in part, of the duty or other customs treatment reflecting concessions granted under trade agreements, an article is being imported into the United States in such increased quantities, either actual or relative, as to cause, or threatent to cause, serious".

On page 28, strike out lines 8 through 11, and insert in lieu thereof the following: "the Tariff Commission shall be governed by section 7 of the Trade Agreements Extension Act of 1951, as amended (19 U.S.C., sec. 1364)."

On page 28, beginning with ", in" in line 20, strike out all through line 22, and insert in lieu thereof the following: "determine whether, as a result, in whole or in part, of the duty or other customs treatment reflecting concessions granted under".

On page 28, line 25, strike out "as to cause", and insert in lieu thereof ", either actual or relative, as to cause".

On page 29, beginning with "In" in line 1, strike out all through line 6.

On page 29, beginning with ", in" in line 9, strike out all through line 11, and insert in lieu thereof the following: "determine whether, as a result, in whole or in part, of the duty or other customs treatment reflecting concessions granted under".

On page 29, strike out line 15, and insert in lieu thereof

the following: "in such increased quantities, either actual or relative, as to cause, or threaten to cause,".

On page 30, between lines 12 and 13, insert the following:

"(f) Subsection (b) of section 7 of the Trade Agreements Extension Act of 1951, as amended (19 U.S.C., sec. 1364(b)), is amended by adding at the end thereof the following new sentence: 'The Commission shall find that increased imports have caused or threaten serious injury to the domestic industry producing like or directly competitive products when the evidence received during its investigation and hearings establishes that there has occurred (1) a significant decline in the share of the domestic market supplied by domestic products in comparison with the share so supplied during a representative base period (taking into account a decline in order bookings of domestic industries producing articles requiring a long leadtime in production), and (2) either (i) a significant decline in the net earnings of the domestic industry producing such products, or (ii) a decline in employment, a loss of wages due to shortened work periods, or a decline in wage rates in such domestic industry.'"

On page 30, line 13, strike out "(f)" and insert in lieu thereof "(g)".

On page 31, strike out lines 12 through 25, and insert in lieu thereof the following:

"(a) After receiving a report from the Tariff Commission containing an affirmative finding under section 301(b) with respect to any industry, the President shall take action or report as specified in section 7(c) of the Trade Agreements Extension Act of 1951, as amended (19 U.S.C., sec. 1364(c)).

"(b) No proclamation pursuant to subsection (a) shall be made—

"(1) increasing any rate of duty to a rate more than 50 percent above the rate existing on July 1, 1934, or

"(2) in the case of an article not subject to duty, imposing a duty in excess of 50 percent ad valorem.

For purposes of paragraph (1), the term 'existing on July 1, 1934' has the meaning assigned to such term by paragraph (5) of section 256."

On page 32, strike out lines 1 through 20, and insert in lieu thereof the following:

"(c) Paragraph (2)(B) of subsection (c) of section 7 of the Trade Agreements Extension Act of 1951, as amended (19 U.S.C., sec. 1364(c)(2)(B)), is amended by striking out the word 'two-thirds' and inserting in lieu thereof the word 'majority'."

On page 32, line 21, strike out "(c)" and insert "(d)".

On page 33, line 1, strike out "(d)" and insert "(e)".

On page 33, line 1, strike out "(b) or (c)" and insert in lieu thereof "(d)".

On page 33, line 5, strike out "(e)" and insert "(f)".

On page 33, line 9, strike out "(2) or in subsection (b) (2) of this section".

On page 33, beginning with "Within" in line 19, strike out all through line 10 on page 49, and insert in lieu thereof the following:

"(b) Promptly upon receipt of such application the Secretary of Commerce shall designate the community in which each affected plant of the affected firm is located as a 'redevelopment area' under the Area Redevelopment Act (P.L. 87–27) for the purpose of making available to such firm the benefits of such Act, and notwithstanding any provision of such Act to the contrary, the Secretary is authorized and shall accord on a priority basis to the affected firm and its affected workers such benefits provided in such Act as the Secretary shall determine to be appropriate for the sound economic redevelopment of the affected establishment and workers."

On page 49, beginning with line 12, strike out all through line 16, on page 73, and insert in lieu thereof the following:

"SEC. 321. CERTIFICATION OF ADJUSTMENT PROPOSALS.

"(a) A group of workers certified under section 302 as eligible to apply for adjustment assistance may, at any time within two years after the date of such certification, file an application with the Secretary of Labor for adjustment assistance under this chapter.

"(b) Promptly upon receipt of such application the Secretary of Labor shall make available on a priority basis to unemployed or underemployed workers in such group the benefits provided in the Manpower Development and Training Act of 1962."

At the end of the bill insert the following new sections:

"SEC. 406. FINDINGS OF FACT REQUIRED FOR PRESIDENTIAL DETERMINATIONS.

"Any determinations of the President under sections 201 (a), 211 (a), 211 (b), 211 (c), 212, 213 (a), 213 (b), 232 (a), 232 (b), 254, 256 (7), or 302 (a) shall be based upon findings of fact by the President that the conditions or principles specified in each such section exist or are applicable as shown by the record of the investigation made incidental to such determination.

"SEC. 407. PUBLICATION OF REPORTS.

"The reports and other documents described in sections 213 (c), 242 (b) (3), and 301 (g) shall be made public by the President or at his direction as soon as practicable

after the purposes for which they are specified in this Act have been accomplished.

"SEC. 408. FOSTERING INCREASED EMPLOYMENT IN GROWTH INDUSTRIES.

"(a) Taking note of the persistent high levels of unemployment existing in the United States and the necessity for encouraging and protecting the growth of new domestic industries and domestic industries whose operations have been characterized by sustained growth in employment, plant investment, and production as a means of reducing unemployment and providing jobs for the Nation's growing labor force, the Congress declares it to be the policy of the United States that no reduction in any rate of duty, or binding of any existing customs or excise treatment, or other concession proclaimed under section 350 of the Tariff Act of 1930, as amended (19 U.S.C., sec. 1351), or under section 201 of this Act, shall be permitted to continue in effect when the product on which the concession has been granted is, as a result, in whole or in part, of the duty or other customs treatment reflecting such concession, being imported into the United States in such increased quantities, as to cause or threaten serious impairment of the rate of growth of such industries producing the like or directly competitive products. No action shall be taken pursuant to section 201 of this Act to decrease the duty on any imported article or to bind any

existing customs treatment, if such action would cause or threaten serious impairment of the rate of growth of such domestic industries producing the like or directly competitive products.

"(b) The President, as soon as practicable, shall take such action as may be necessary to bring trade agreements heretofore entered into under section 350 of the Tariff Act of 1930, as amended (19 U.S.C., sec. 1351), into conformity with the policy established in subsection (a) of this section.

"(c) In any investigation conducted pursuant to section 221(b) of this Act, the Tariff Commission shall, in addition to the findings required by such section, report to the President its findings with respect to the limit to which modification of duties and other import restrictions, or continuance of existing customs and excise treatment, may be made with reference to imported articles in order to carry out the purpose of this Act without causing or threatening serious impairment of the rate of growth of such domestic industries, described in subsection (a) of this section, which produce the like or directly competitive articles.

"(d) (1) The first paragraph of subsection (a) of section 7 of the Trade Agreements Extension Act of 1951, as amended (19 U.S.C., sec. 1364(a)), is amended by changing the period at the end of the paragraph to a comma and adding the following: 'or to cause or threaten serious im-

pairment of the rate of growth of a new domestic industry or a domestic industry whose operations have been characterized by sustained growth in employment, plant investment, and production, which produces the like or directly competitive products.'.

"(2) The first sentence of the third paragraph of subsection (a) of such section is amended (A) by inserting after 'directly competitive products,' the following: 'or to cause or threaten serious impairment of the rate of growth of a new domestic industry or a domestic industry whose operations have been characterized by a sustained growth in employment, plant investment, and production, which produces the like or directly competitive products,'; and (B) by striking out the period at the end of such sentence and inserting in lieu thereof the following: 'or impairment.'.

"(3) The first sentence of paragraph (1) of subsection (c) of such section is amended by inserting after the words 'serious injury to' the following: 'or serious impairment of the rate of growth of'."

87TH CONGRESS
2D SESSION

H. R. 11970

AMENDMENTS

Intended to be proposed by Mr. BUSH (for himself, Mr. ALLOTT, Mr. BENNETT, Mr. CAPEHART, Mr. HICKEY, Mr. SALTONSTALL, Mr. THURMOND, and Mr. TOWER) to the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes.

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Referred to the Committee on Finance and ordered to be printed

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE

(For information only; should not be quoted or cited)

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For actions of August 7, 1962
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HIGHLIGHTS: House subcommittee voted to report bill for development of Federal-State outdoor recreation. Sen. Javits submitted amendments to foreign trade bill. Sen. Dirksen inserted items regarding alleged gift of cattle to Eisenhower by Estes. Sen. McCarthy inserted article commending farm cooperatives.

SENATE

1. RECLAMATION. The Interior and Insular Affairs Committee reported with amendments S. 103, to authorize the construction of the Auburn-Folsom south unit, American River division, Central Valley project, Calif. (S. Rept. 1859). p. 14703

2. WILDLIFE; UNDER SECRETARIES. The Commerce Committee reported without amendment S. 3504, to permit the Under Secretaries of Interior, Agriculture and Commerce to serve as members of the Migratory Bird Conservation Commission (S. Rept. 1856). p. 14703

3. TRADE FAIRS. The Commerce Committee reported with amendments S. 3389, to promote the Commerce of the U. S. through the use of mobile trade fairs (S. Rept. 1850). p. 14703

4. PERSONNEL. The Post Office and Civil Service Committee reported with amendments S. 3164, to amend the Civil Service Retirement Act so as to increase, in the case of children attending school, from eighteen to twenty-one, the maximum age

for receiving benefits under the Act (S. Rept. 1855), and S. 2937, to amend the Civil Service Retirement Act so as to provide for increases in certain annuities eliminate the option with respect to certain survivor annuities, and provide for interchange of retirement and social security credits (S. Rept. 1854). p. 14703

5. FISH AND WILDLIFE CONSERVATION. The Commerce Committee reported with amendments H. R. 1171, to increase the public benefits from the national fish and wildlife conservation areas through their incidental or secondary use for public recreation (S. Rept. 1858), and S. 1542, to authorize Interior to conduct studies of the genetics of sport fishes and carry out selective breeding of such fishes valuable in programs of research, fish hatchery production, and management of recreational fishery resources (S. Rept. 1857). p. 14703

6. FOREIGN TRADE. Sen. Javits submitted amendments intended to be proposed to the foreign trade bill, including an amendment for the establishment of a council of advisers, composed of representatives of industry, agriculture, and labor groups, to advise U. S. negotiators. pp. 14705-7

7. ESTES. Sen. Dirksen inserted several items discussing allegations that former President Eisenhower received a cow as a gift from Billie Sol Estes. pp. 14723-4

8. TOBACCO. Sen. Moss inserted and commended an article by the director of the statistical research section of the American Cancer Society, "The Effects of Smoking." pp. 14712-7

9. NATURAL RESOURCES. Sen. Moss inserted excerpts from a recent speech by Sen. Morse in Salt Lake City, including comments on the importance of natural resource conservation. pp. 14717-9

10. FARM BILL. Sen. Douglas inserted an article, "Trouble in the Filibuster's Wake - Mansfield's Accord with Republicans on Farm Bill is Viewed as Risky." p. 14722

11. COOPERATIVES. Sen. McCarthy inserted an article by the executive director of the Cooperative League of the U. S. on the purpose and importance of cooperatives, "Cooperatives Offer Emerging Nations a Private Way." pp. 14729-30

12. ELECTRIFICATION. Continued debate on S. 3153, to guarantee electric consumers in the Pacific Northwest first call on electric energy generated at Federal plants in that region and to guarantee electric consumers in other regions reciprocal priority. Agreed to a unanimous-consent agreement by Sen. Mansfield to limit debate on the bill beginning Wed., Aug. 8. pp. 14728-9, 14770-8

13. ECONOMICS. Sen. McCarthy inserted a digest of remarks by professor Arthur R. Upgren on "the economic progress which has been made in the United States and raises some questions and problems which have not been satisfactorily solved." pp. 14730-2

14. FARM LABOR. Sen. Williams, N. J., expressed concern over education opportunities available to children of migratory farm workers and inserted an article, "Migrant Pupils Miss Schooling." pp. 14739-40

15. YOUTH CONSERVATION CORPS. Sen. Humphrey inserted an editorial supporting establishment of a Youth Conservation Corps. pp. 14778-9

16. WATER RESOURCES; RECLAMATION. Sen. Proxmire expressed opposition to legislation authorizing the Fryingpan-Arkansas project, stating that "it is foolish to spend so large a sum of money to increase the fertility and productivity of land

in 1958, been struggling with two problems.

The first is that of developing its program to carry out the intention of Congress that the Center serve as a national forum of the arts. The Center is endeavoring to develop programs which will symbolize the importance of the arts in our national environment and will relate the National Cultural Center to the entire country, so that it will serve as a memorial to the art of every segment of American society and every geographic area.

The second problem is that of raising funds to plan, build, and operate the Center—a task which Congress left solely in the hands of the American people. The trustees of the National Cultural Center have planned a nationwide fundraising campaign, to allow the American people to express their support for this institution.

This fundraising program will reach a climax on November 29, 1962, in a coast-to-coast closed-circuit telecast entitled "An American Pageant of the Arts," which will be a presentation of the regional art of our national heritage; and from which local sponsoring committees will keep up to 50 perecnt of the proceeds. This dual support of both national and local cultural institutions is in keeping with the Center's intentions of strengthening cultural organizations everywhere.

I urge all my colleagues to join in supporting this measure as evidence of our bipartisan support for the realization of the National Cultural Center and its goals.

The PRESIDENT pro tempore. The joint resolution will be received and appropriately referred.

The joint resolution (S.J. Res. 214) authorizing the President of the United States to designate the period from November 26, 1962, through December 2, 1962, as National Cultural Center Week, introduced by Mr. CLARK (for himself, Mr. FULBRIGHT, and Mr. SALTONSTALL), was received, read twice by its title, and referred to the Committee on the Judiciary.

STRENGTH OF THE MILITARY AND AIR FORCE ACADEMIES—AMENDMENTS

Mr. LONG of Louisiana submitted amendments, intended to be proposed by him, to the bill (H.R. 7913) to amend title 10, United States Code, to bring the number of cadets at the U.S. Military Academy and the U.S. Air Force Academy up to full strength, which were ordered to lie on the table and to be printed.

TRADE EXPANSION ACT OF 1962—AMENDMENTS

Mr. JAVITS. Mr. President, I send to the desk eight amendments to H.R. 11970, the Trade Expansion Act of 1962 for printing under the rule and ask unanimous consent to have them remain the table until the end of business on August 10, in the event any of my colleagues desire to join me in sponsoring any of them. I am pleased to state that the distinguished Senator from West Virnigia [Mr. RANDOLPH] is joining me in sponsoring the last amendment which would set up a council of advisers from major industry, agriculture and labor groups for the purpose of giving counsel and advice to our trade negotiators.

An August 9, this Thursday, I shall appear before the Committee on Finance to discuss these proposed amendments in detail. Therefore, I should like to confine myself today to saying only that I support the objectives of the President's trade program and that these proposals are intended to improve its ability to serve the domestic and foreign economic policy of the United States. These proposed amendments are intended to strengthen the program of trade expansion. Indeed, the challenges facing our Nation are so great that we cannot afford halfhearted forays into foreign economic policy. We must place all of our strength and capacity into the meeting of these challenges.

Mr. President, I ask unanimous consent to have the text of these eight amendments and a brief summary explanation of them printed in the RECORD at this point.

I have asked unanimous consent to have printed at this point in the RECORD an explanation of the importance of the amendments, so that any who wish to join me, may notify me in advance of the 10th of their desire to join.

There being no objection, the amendments and explanations were ordered to be printed in the RECORD, as follows:

A

On page 3, beginning with line 21, strike out all through line 14, on page 6, and insert in lieu thereof the following:

"CHAPTER 2—SPECIAL AUTHORITY WITH RESPECT TO FULLY DEVELOPED COUNTRIES OR AREAS

"SEC. 211. BASIC AUTHORITY.

"(a) The President may, in carrying out any trade agreement with fully developed countries or areas, issue proclamations as to articles or categories of articles without regard to the limitation expressed in section 201(b)(1): *Provided,* That the more substantial concessions shall be made on products of industries which the President determines to have the greatest demonstrated capacity and potential for export expansion and the greatest growth potential and highest productivity.

"(b) As used in this chapter, the term 'fully developed country or area' means (1) the European Economic Community, and (2) any other foreign country or area, or any group of such countries or areas operating as a customs union or free trade association (other than any country or area described in section 231) which the President has, by Executive order, designated as a fully developed country or area: *Provided,* That such an Executive order shall have been in effect for at least 180 days prior to the entering into of any trade agreement with respect to which the provisions of subsection (a) are applicable. In making any such designation the President shall consider the output per worker engaged in manufacturing and the extent of manufacturing activity in the country or area to be considered for such designation, as compared to such output and the extent of such activity in the United States."

On page 6, line 15, strike out "(e)" and insert "(c)".

On page 6, lines 20 and 21, strike out "European Economic Community" and insert in lieu thereof "fully developed countries or areas".

On page 7, strike out lines 12 through 15, and insert the following:

"(3) the fully developed countries or areas have made a commitment with respect to duties or other import restrictions which is likely to assure access for such article to the markets of such countries or areas."

On page 20, between lines 12 and 13, insert a new section as follows:

B

"SEC. 253. UTILIZATION OF AUTHORITY TO ENTER INTO TRADE AGREEMENTS.

"The authority conferred by section 201 (a) shall, subject to the provisions of this title, be utilized by the President—

"(1) so as to base any concession made by the United States substantially on the effectiveness of such a concession in obtaining the extension of any concession made by fully developed countries or areas to the United States to all other countries or areas which are not referred to in section 231; and

"(2) in any trade agreements entered into pursuant to such authority, so as to establish special arrangements (including the lowering of tariffs on specified quantities of products and the rendering of marketing and servicing assistance) to aid in the development of stable and growing markets in fully developed countries or areas for the products of other countries or areas which are not referred to in section 231 with a minimum of economic dislocation and a maximum of economic benefit to such markets."

On page 20, line 13, strike out "253" and insert "254".

On page 20, line 15, strike out "254" and insert "255".

On page 21, line 18, strike out "254" and insert "255".

On page 21, line 22, strike out "253" and insert "254".

On page 22, line 4, strike out "255" and insert "256".

On page 22, line 15, strike out "256" and insert "257".

On page 24, between lines 12 and 13, insert the following:

"(8) The term 'fully developed country or area' means (A) the European Economic Community, and (B) any other foreign country or area, or any group of such countries or areas operating as a customs union or free trade association (other than any country or area described in section 231) which the President has, by Executive order, designated as a fully developed country or area. In making any such designation the President shall consider the output per worker engaged in manufacturing and the extent of manufacturing activity in the country or area to be considered for such designation, as compared to such output and the extent of such activity in the United States."

On page 24, line 13, strike out "257" and insert "258".

On page 20, between lines 12 and 13, insert a new section as follows:

C

"SEC. 253. UTILIZATION OF AUTHORITY TO ENTER INTO TRADE AGREEMENTS.

"It is the sense of the Congress that the President should utilize the authority conferred by section 201(a) to negotiate an agreement under which all countries receiving trade concessions pursuant to trade agreements entered into, and all contracting parties to the General Agreement on Tariffs and Trade, report annually to the appropriate organ established pursuant to said general agreement on the progress achieved in (1) improving working conditions in those industries the products of which have been subject to such concessions, and (2) raising living standards in those countries or areas which are dependent on such industries."

On page 20, line 13, strike out "253" and insert "254".

On page 20, line 15, strike out "254" and insert "255".

On page 21, line 18, strike out "254" and insert "255".

On page 21, line 22, strike out "253" and insert "254".

On page 22, line 4, strike out "255" and insert "256".

On page 22, line 15, strike out "256" and insert "257".

On page 24, line 13, strike out "257" and insert "258".

D

On page 19, line 18, strike out "tolerance of international cartels" and insert in lieu thereof "infringements of United States patents, copyrights, or registered trademarks, or tolerance of such infringements or of international cartels".

E

On page 33, between lines 12 and 13, insert a new section as follows:

"SEC. 303. TERMINATION OF AUTHORITY TO ISSUE CERTIFICATES OF ELIGIBILITY.

"(a) No certification of eligibility shall be issued under section 302 with respect to any firm or group of workers after June 30, 1974, or such earlier date as the Congress may by concurrent resolution prescribe.

"(b) The termination of the authority to issue certifications of eligibility, as provided in subsection (a), shall not affect the eligibility of any firm or worker to apply for or to receive adjustment assistance pursuant to a certification of eligibility duly issued prior to the date of such termination."

F

On page 75, line 5, after the period insert the following: "Such report shall also show the amount of funds which have been appropriated pursuant to sections 312(d) and 337 and have been expended or committed for each type of adjustment assistance authorized by chapters 2 and 3 of title III."

G

On page 75, between lines 21 and 22, insert the following:

"(d) The Tariff Commission shall bring up to date and publish, at intervals of not to exceed five years, the 'Summaries of Tariff Information'."

H

On page 16, between lines 10 and 11, insert the following:

"(c)(1) The Special Representative for Trade Negotiations shall appoint a Council of Advisers which shall consist of not to exceed fifty appointive members to be selected from the major organizations in the United States representing industry, agriculture, and labor. In addition, the congressional delegates to negotiations, selected pursuant to section 243, shall, during any period in which they are accredited members of a United States delegation to any negotiation under this title, serve as ex officio members of such council. The Special Representative shall serve as chairman of such council. Members appointed to such council, while attending meetings or otherwise engaged in the performance of their duties as members of the council, shall be entitled to receive compensation and reimbursement as provided in section 401(3), and the provisions of section 1003 of the National Defense Education Act of 1958 (20 U.S.C. 583) shall apply to such members.

"(2) Members of the Council of Advisers shall give advice and counsel with respect to products of direct interest to them to members of any United States delegation to negotiations under this title, and to the United States delegates to any other international meeting dealing with modifications of existing trade restrictions. The Special Representative for Trade Negotiations shall provide members of the council with such information with respect to such negotiations and meetings as he determines will enable such members to fully and effectively discharge their functions under this subsection."

SUMMARY OF AMENDMENTS TO THE TRADE EXPANSION ACT OF 1962 (H.R. 11970) PROPOSED BY SENATOR JAVITS

Proposed amendment A would authorize the President to eliminate tariffs on a mutual basis with all fully developed countries or areas of the free world, provided that the most substantial concessions are made on the products of the strongest U.S. industries. The determination by the President of what is a fully developed country or area shall be based on output per worker engaged in manufacturing and on the extent of industrialization. Agricultural products which are dealt with separately in H.R. 11970 are excluded from this authority.

Comment: H.R. 11970 authorizes tariff elimination only with the European Economic Community (EEC), and only in categories of products in which the United States and the members of the EEC account for 80 percent or more of world exports. I believe that this concentration on the EEC and on present or past levels of international trade has three serious disadvantages: (1) While the EEC members remove trade barriers among themselves, the United States could be left in the position of being unable to do so with any nation, if the EEC decides to shut us out or if the United Kingdom does not become a member of the EEC; (2) effective U.S. bargaining power with the EEC, whatever its composition, would be diminished, if the United States were unable to negotiate for the broadest possible concessions with other nations; (3) shaping neogtiating authority to existing trade patterns places artificial and often unrealistic constraints on our negotiators, who must bargain for future benefits in the context of rapidly changing international economic conditions. The proposed amendment is designed to free U.S. trade policy from overdependence on the EEC and from criteria patterned on a bygone era of world trade.

Proposed amendment B would direct the President to shape the nature of U.S. concessions to fully developed countries or areas in such a way as to obtain the extension of most-favored-nation treatment to the less developed nations from the fully developed ones; would direct the President to utilize his negotiating authority in order to bring about the establishment of special arrangements for the orderly expansion of markets for the exports of the less developed nations.

Comment: H.R. 11970 provides for no directions on the use of authority for the purpose of getting the fully developed nations to share the burden of providing markets for the developing nations—a burden which the United States has been carrying to a large extent alone. The two parts of this proposed amendment are designed to accomplish this either through a multilateralization of most-favored-nation treatment or through special arrangements on a multilateral basis—or both.

Proposed amendment C would express the sense of the Congress that the President enter into agreements with all our trading partners for the submission of annual reports to an organ of the General Agreement on Tariffs and Trade (GATT), on the progress achieved in raising wage and living standards.

Comment: This proposed amendment is designed to facilitate the escalation of international labor standards and to place greater pressure on exporting nations to refrain from subsidizing their exports through artificially depressed wages. This idea was suggested by the AFL–CIO delegation to a meeting of the Trade Union Section of the European Productivity Agency in March 1960. It also reflects the principle of proposals made by George Meany, president of the AFL–CIO, in his testimony before the Senate Finance Committee on July 24, 1962.

Proposed amendment D would specify infringements of U.S. patents, copyrights and registered trademarks as actions unjustifiably restricting U.S. commerce and as cause for retaliatory action by the United States.

Comment: It is doubtful that the problem of patents, etc., has ever been considered in a meaningful way in the context of our trade policy. Yet, infringements of these United States held rights have materially interferred with our ability to export and have even resulted in the U.S. Government's purchase, under the statutory requirement to buy at the lowest price, of foreign goods made according to pirated patents.

Proposed amendment E would provide for a termination date for the certification of firms and workers eligible for adjustment assistance; would provide for such termination through concurrent resolution of the Congress.

Comment: H.R. 11970 has no such provision for termination and no such congressional control. I believe that the termination date of June 30, 1974, provides for a reasonable limit to the program. It allows for the establishment of injury from imports resulting from the last stage of tariff reductions under agreements made up to the June 30, 1967, termination date of the President's negotiating authority, plus 2 additional years. Furthermore, it seems to me that congressional control should be more firmly established than is contemplated by the "open end" authority for expenditures in the present bill.

Proposed amendment F would require the President to submit a detailed report on expenditures and commitments under the adjustment assistance program, in connection with the annual report on the administration of the entire Trade Expansion Act now required by H.R. 11970.

Comment: This proposed amendment is designed to permit stricter congressional oversight on the expenditure of adjustment assistance funds and would enable the Congress and the public to obtain a better perspective on the real implications of the trade program in terms of domestic adjustments.

Proposed amendment G would require the Tariff Commission to keep up to date and publish at least every 5 years the "Summaries on Tariff Information."

Comment: These "summaries" have not been published since 1948 and, even though the data is kept current in the Tariff Commission files, it is difficult for students of trade policy and for industry to obtain this data which is vital to their research.

Proposed amendment H would establish a council of advisers, composed of representatives of major industry, agriculture, and labor groups. Its chairman would be the special representative for trade negotiations provided for in section 241 of H.R. 11970. Congressional delegates to negotiations would be ex officio members of the council. Any or all members of the council with a direct interest in an article under negotiation would have such access to U.S. negotiators as is determined by the special representative to be necessary to give advice and information to the negotiators. Members of the council would receive a per diem allowance while serving.

Comment: H.R. 11970 does not appear to provide the status for representatives of the private sector, necessary for the best utilization of the detailed knowledge of trade and economic conditions which these representatives dispose of. I believe that this proposed amendment would give them the necessary status without subjecting our trade negoti-

ators to undue pressure from special interests.

The PRESIDING OFFICER. The amendments will be received, printed, and referred to the Committee on Finance; and, without objection, the amendments will lie on the desk as requested by the Senator from New York.

NOTICE OF HEARINGS BY SUBCOMMITTEE ON TRADING WITH THE ENEMY ACT

Mr. JOHNSTON. Mr. President, the Subcommittee on Trading With the Enemy Act of the Senate Committee on the Judiciary will hold public hearings on proposals to amend section 9(a) of the Trading With the Enemy Act at 10:30 a.m. on Wednesday, August 22, 1962, in room 2228, New Senate Office Building. Only Government witnesses will be heard on this day.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE APPENDIX

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the Appendix, as follows:

By Mr. COTTON:

Address entitled "Assignment for the Sixties: To Strengthen the Arm of Liberty," delivered by Mrs. Dexter Otis Arnold, president, General Federation of Women's Clubs.

By Mr. WILLIAMS of New Jersey:

Editorial entitled "Praise for Boys State Program," published in the Herald-News, Passaic, N.J., on June 29, 1962.

Editorial entitled "Educational Milestone," published in the Call, Paterson, N.J., on June 29, 1962; and editorial entitled "The Land-Grant Dream," published in the Washington (D.C.) Post on July 3, 1962.

Editorial entitled "Thank You, NEA," published in the Asbury Park (N.J.) Evening Press on June 22, 1962.

By Mr. AIKEN:

Editorial entitled "Who Wants War?" published in the Brattleboro Daily Reformer of August 2, 1962.

Editorial entitled "Another Bunker Hill," published in the Brattleboro Daily Reformer of August 3, 1962.

By Mrs. NEUBERGER:

Article on the harmful effects of smoking, published in the Wallowa County Chieftain of July 8, 1962.

By Mr. CLARK:

Article entitled "Philadelphia: Policing the Police," written by Ruth Marossi and Jerald Krefetz and published in the Reporter magazine for July 19, 1962.

Statement of Jewish Community Relations Council of Greater Pittsburgh, relating to the recent Supreme Court decision on prayer in the New York public schools.

By Mr. CAPEHART:

Article entitled "The Alliance for Progress," published recently in Latin American Business Highlights, the quarterly publication of the Chase Manhattan Bank.

By Mr. SPARKMAN:

"Ready Reference Guide to Senate Press Aides," published in the July 1962 issue of the National Publisher.

By Mr. METCALF:

Column entitled "Literary Montana," written by John K. Hutchens, published in the New York Herald Tribune on August 6, 1962.

DEATH OF FORMER AMBASSADOR WHITING WILLAUER

Mr. SALTONSTALL. Mr. President, with the death of Whiting Willauer at his summer home on Nantucket Island, Mass., on Monday, the Nation lost an outstanding public servant who made important contributions to his country, especially in the field of foreign affairs.

Mr. Willauer served as Ambassador to Honduras from 1954 to 1958, and then became Ambassador to Costa Rica, where he remained until 1960. He also served as a special assistant to former Secretary of State Christian Herter. Ambassador Willauer was among the first of our envoys in the Caribbean area to sense the true nature of Fidel Castro's government in Cuba, and urged that our Government speak out against it.

A graduate of Princeton University, Mr. Willauer received his law degree at Harvard University. Following his graduation from Harvard, he joined the Boston firm of Bingham, Dana and Gould, where he specialized in admiralty law. Later he was employed by the Civil Aeronautics Board, the Department of Justice, and the Federal Power Commission.

During World War II he worked to get support for Gen. Claire Chennault's Flying Tigers, which flew supplies from India to China, and in 1946 he and General Chennault established the Civil Air Transport Co. Mr. Willauer became president and vice chairman of the board of that company. During the Korean conflict this group helped move supplies into Korea. He resigned from the organization in 1954, when President Eisenhower appointed him Ambassador to Honduras.

I knew Mr. Willauer and respected his judgment. His passing is a serious loss to the Nation.

To his wife, the former Louise Knapp Russell of Nantucket, his son Whiting Russell Willauer of Washington, and his daughter, Mrs. Peter W. Nash of Dedham, Mass., Mrs. Saltonstall and I extend our sympathy.

THE ESTABLISHMENT OF RELIGION CLAUSE OF THE FIRST AMENDMENT

Mr. ERVIN. Mr. President, the Charlotte News, of Charlotte, N.C., carried a very thoughtful editorial entitled "Church and State: Why the People Should Define the First Amendment" in its issue of July 12, 1962. This editorial ought to be made available to all the Members of the Congress for consideration in connection with various resolutions to amend the interpretation placed upon the first amendment by the recent decision of the Supreme Court in the Engel case. For this reason, I ask that this editorial be printed at this point in the RECORD.

The PRESIDING OFFICER (Mr. METCALF in the chair). Is there objection to the request of the Senator from North Carolina?

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

CHURCH AND STATE: WHY THE PEOPLE SHOULD DEFINE THE FIRST AMENDMENT

Reaction to the Supreme Court decision on prayer in public schools breaks down roughly into three categories: (1) Those content with the decision and its implications of a religiously sterile state. (2) Those concerned by the decision, as exemplified by our morning contemporary, but content to accept it. (3) Those concerned, as the News is, to the point of favoring positive consideration of a constitutional amendment to protect governmental recognition of the Nation's pervasive and immensely valuable religious tradition. Because of the importance of the question, and the community's interest, we think it worthwhile to consider the amendment question from both sides.

The argument for acceptance of the decision is pinned to the claim that, in the Regents Prayer case, the Court made a narrow decision or, as the Observer puts it, a relatively narrow decision. It is said in addition that debate of a constitutional amendment would be divisive in a pluralistic society such as ours. This latter, of course, is a mere debater's point; all issues of substance are divisive. A mature democracy cannot draw back from great questions in fear of controversy.

Certainly the Court, capping the divisive desegregation and reapportionment cases with provocative language in the prayer case, shows no disposition toward reticence. The plea for patience and restraint, if valid at all, should more properly be addressed to the Court itself.

The Court perforce is ingenious in leaving constitutional hairs unsplit when it deems avoidance of an issue the wiser course. It waited, for example, 58 years before finding in the 14th amendment a constitutional stricture against segregation of the races in education and, by swift extension, in parks, swimming pools, buses, pools, et cetera.

The Court, in sum, has the power of discretion in constitutional matters; the fact that it did not use that discretion wisely in the prayer case cannot reasonably be converted into an argument for timid acceptance by responsible citizens whose intelligence and convictions may be offended by the Court's holding.

No, the main argument for acceptance is that the Court's decision, being relatively narrow, does not raise issues worthy of constitutional debate among the citizens who are the ultimate arbiters of constitutional questions. And this argument, in our opinion, goes directly counter to the evidence; it is contrary to what the Court has done and said in the few first amendment cases that have been decided.

What the Court is about is the process of defining the first amendment for the first time and establishing its meaning for future generations. Moreover, it is asserting a meaning in a sensitive field that is contrary to what Justice Reed once called the accepted habits of our people, and doing so in a manner capable of upsetting practices embedded in our society by many years of experience. Now, of course, the Court upsets traditions in many fields; it must do so if the Constitution is to remain a living document. And it would be unthinkable to propose that the people intervene in murky matters such as taxation, criminal procedures, or international agreements.

But for two principal reasons, the present Court cannot claim any overriding competence in deciding the meaning of the first amendment:

1. The Court is without the guidance of a body of precedent. Rather than drawing

upon the distillation of decades or argument and thought, the justices are relying upon their own opinions plus those lay views to which they may cleave. Because the first significant first amendment case came to the Court in 1947, Justice Black cannot quote Marshall, Holmes, Brandeis, or any of the other great shapers of constitutional doctrine. Justice Black quotes Justice Black. And Justice Douglas, regretting the holding in that first case, *Everson* v. *Board of Education*, reverses Justice Douglas.

2. The Court is without the guidance of the intent of the framers. In the debates of the constitutional convention there is little evidence as to what the framers meant by an establishment of religion. What evidence there is has been sifted throughly, of course, but there is nothing approaching agreement among scholars or lawyers. Having been through it, Harvard professor of government Robert G. McCloskey notes that one of the most impressive things about the literature on the subject is the comparative ease with which each partisan demolishes the positive arguments of his opponents and the corresponding diffculty each has in establishing his own interpretation of the amendment's intention on irrefutable ground.

Finally, we return to the phrase "narrow decision" and ask what that means—if anything. John Marshall, deciding to require then Secretary of State James Madison to deliver papers of appointment to two justices of the peace (*Marbury* v. *Madison*, 1803) established the Supreme Court's right to review acts of the Congress and the legislatures. In upholding conviction of a man for selling lottery tickets (*Cohens* v. *Virginia*, 1821) Marshall established the right of a citizen convicted in a State court to carry his case into Federal courts.

All Supreme Court decisions are narrow in the sense that they pronounce upon a specific question posed by one or more individuals. In the original desegregation decision (*Brown* v. *Board of Education*, 1954) the Court specifically ordered the admission of a few Negro children to a few schools. The important question is not the decision, but the doctrine, which the decision asserts.

Our reading of the first amendment cases convinces us—barring amendment or the meaningful assertion of opposition through consideration of an amendment—that the Court is framing, and will continue to frame, a doctrine of rigid and absolute separation of church and state. Justice Black, to be sure, has not yet accepted Justice Douglas' radical strictures against the employment of chaplains, for example, but he is coming that way fast enough under his own momentum. Norfolk Ledger-Star Editor William Fitzpatrick, a close student of the Constitution, notes correctly "the general expectation * * * that the Court decision (on prayer) will reach to all religious expression in the public schools."

With the deepest respect for the indispensable institution that is the Supreme Court, we submit that it is entirely proper for the people to participate in defining the first amendment for themselves and their children. To disagree with the Court is not to attack or demean it. The 12 amendments following those embodied in the Bill of Rights are, some of them, of far less consequence than the question of whether the Nation will continue to recognize the influence of religion on its origins and its history in a time of great testing with a fanatic philosophy of materialism.

Whether or not Mecklenburgers favor or disapprove consideration of an amendment, they deserve to know that the Court has made no narrow decision; indeed, that such a decision is highly improbable, if not impossible, in the barely touched field of the first amendment.

BIRTHDAY CONGRATULATIONS TO SENATOR JOE H. BOTTUM

Mr. MUNDT. Mr. President, on behalf of his many old friends in South Dakota and his many new friends in the Senate of the United States, it is my pleasure to announce that South Dakota's junior Senator, JOE BOTTUM, is today celebrating his 59th birthday.

I think it is highly appropriate that on the occasion of his 59th birthday Senator BOTTUM no longer wears the mantle of the "baby Senator" of the United States, but that on this occasion he moves up one notch on the important ladder of seniority.

I suspect that, due to the tragic and unfortunate passing of our beloved friend, Henry Dworshak, JOE BOTTUM will go down in history with one designation attached to his name, at least, and that is that he has been the bearer of the designation of "baby Senator" probably for a shorter period of time than any other Senator who has taken the oath of office, because it was less than 3 weeks ago that his name was presented to the Senate for confirmation.

Mr. SCOTT. Mr. President, will the Senator yield at that point?

Mr. MUNDT. I yield.

Mr. SCOTT. I take it the Senator is saying that Senator BOTTUM is about the quickest man off the bottom in the Senate for some time.

Mr. MUNDT. The Senator is correct. He is also a fast man toward the top.

Mr. MILLER. Mr. President, I wish to join with my distinguished colleague, the senior Senator from South Dakota, in conveying congratulations to the junior Senator from South Dakota [Mr. BOTTUM] on the occasion of his 59th birthday. I express the hope that he will continue to represent our sister State, adjacent to my own State of Iowa, in the U.S. Senate, and that he will climb to the top in the years to come.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. MILLER. I am glad to yield.

Mr. DIRKSEN. The distinguished junior Senator from South Dakota is a man of great vigor. I know how he comported himself when I campaigned in that great State. I know the vitality and vigor he possesses. I am sure he will use it in addressing himself to the public business. May his energy never diminish, even though his years will accumulate.

I congratulate him.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. MILLER. I yield to my colleague from California.

Mr. KUCHEL. I merely say to my good friend from South Dakota, I hope very much that the U.S. Senate 1 year from today will salute my friend on the occasion of his next birthday, and that he will enjoy the same health and vigor he now enjoys. I hope that he may spend many future birthdays on the floor of the Senate as a Member of the U.S. Senate.

Mr. BEALL. Mr. President, it is a very real privilege to join in congratulating the junior Senator from South Dakota, Senator JOSEPH H. BOTTUM, on the occasion of his birthday anniversary.

The late Senator Francis Case, for whom I had the highest respect, used to tell me of JOSEPH BOTTUM's remarkable ability and diligence, and in the short time I have known Senator BOTTUM I have been highly impressed by the manner in which he has more than lived up to his excellent reputation. Our Nation, as a whole, and South Dakota in particular, are fortunate in having such a man in this body, and I sincerely hope we will be privileged to have his services for many years.

FOREIGN AID "FUMBLES"

Mr. MILLER. Mr. President, I ask unanimous consent to have printed in the RECORD a recent editorial from the Davenport Daily Times entitled "Congress Fumbles Its Opportunity."

In the editorial is presented the view that Congress should be a little more careful with respect to the foreign aid program, and specifically three points are made.

The first is that expenditures should be reduced in order to assist this Nation to preserve its financial integrity. The second is that the amount of foreign assistance should be reduced to alleviate some of the pressure on the balance-of-payments problem. The third is that more attention should be given to curbing assistance to Communist-dominated nations.

I might point out, Mr. President, with respect to the third point, the language in the bill as passed by the Congress does place considerably more restrictions on the President's powers to dispense aid to Communist countries than heretofore existed.

With respect to the first two points, the Congress will have an ample opportunity to cut down when it considers the appropriation bill relating to foreign aid.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

CONGRESS FUMBLES ITS OPPORTUNITY

President Kennedy signed the bill Wednesday by which Congress authorized $4,672 million in foreign aid. It was a case of turning the key in the lock barring the best opportunity the United States had in 1962 to remedy several ills.

There had been signs earlier that Congress might this time fulfill its responsibility first to cut down on the expenditures which have helped perpetuate the Nation's financial disorder. Specifically, in the second place, a reduction in foreign aid would help to bring foreign payments near a balance which would stem the dangerous outflow of gold. Third, the chance was frittered away to put some sort of a check on the use of such funds to benefit Communist countries.

On any of the three counts, or all, there is no question of popular support. In the course of the battle over the restrictions which were proposed and then allowed to be chopped from the foreign aid bill, there was strange reasoning that some of the Members of Congress were lending support because they felt it would be popular at home,

Digest of CONGRESSIONAL PROCEEDINGS
OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For information only; should not be quoted or cited)

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For actions of August 15, 1962
87th-2d, No. 144

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HIGHLIGHTS: Rep. Findley criticized wheat provision in Senate version of farm bill. Sen. Fulbright commended purchase of sugar at world price. Senate committee reported bill for retirement credit for certain Federal-State cooperative service. Sen. Pell submitted amendments to foreign trade bill. Rep. Alexander urged tariff relief for domestic textile industry.

SENATE

1. SUGAR. Sen. Fulbright referred to a recent increase in the size of the global sugar quota by this Department, commended the increased purchases of sugar at world prices, and stated that the "import of the Agriculture Department's action last week was, in the words of an administration official, to show that the global quota system works and the country quota system does not." pp. 15585-7

2. PERSONNEL. The Post Office and Civil Service Committee reported without amendment S. 2363, to allow civil service retirement credit to Federal employees for service in certain Federal-State cooperative programs (S. Rept. 1880). p. 15621

   The Subcommittee on Aviation of the Commerce Committee approved for full committee consideration with amendment S. Con. Res. 53, expressing the sense of the Congress that air travel by Federal employees should be performed on U. S. air flag carriers on a space available basis. p. D732

   Sen. Humphrey commended the promotion of Clarence R. Eskildsen to the position of Associate Administrator of the Foreign Agricultural Service. p. 15609

3. COMMUNICATIONS. Continued debate on H. R. 11040, the communications satellite bill (pp. 15529-46, 15567-84, 15587-608, 15614-20). By a vote of 73 to 13, tabled an amendment by Sen. Morse to provide that the Federal Government would own the satellite system (pp. 15591-9). By a vote of 53 to 17, tabled an amendment by Sen. Humphrey to provide that the President shall supervise and approve any foreign negotiations regarding the satellite program (pp. 15614-5). By a vote of 61 to 10, tabled an amendment by Sen. Morse to provide that the satellite corporation shall give the Government priority in the transmission of its communications (pp. 15619-20).

4. FOREIGN TRADE. Sen. Pell submitted amendments intended to be proposed to the foreign trade bill directing the Secretary of Labor to compile a comparative real wage index for various countries and providing assistance to local communities adversely affected by the foreign trade program. pp. 15621-3

Sen. Humphrey inserted a tabulation on the status of commercial treaties wit Latin American countries. pp. 15609-11

5. TOBACCO. Sen. Neuberger inserted an announcement by the Independent Television Authority of Great Britain imposing restrictions on the advertising of cigarettes by television. p. 15624

6. INTEREST RATES. Sen. Proxmire inserted the testimony of several witnesses before the Joint Economic Committee on the effects of interest rates and other factors on the national economy. pp. 15547-61

HOUSE

7. TARIFFS. The Ways and Means Committee voted to report (but did not actually report) with amendment H. R. 3985, to amend the Tariff Act of 1930 to impose a duty upon the importation of bread. pp. D733-4

Rep. Alexander urged tariff relief for the domestic cotton textile industry and said, "It is...necessary and imperative that favorable action be taken immediately." pp. 15521-2

8. AIR POLLUTION. The Interstate and Foreign Commerce Committee voted to report (but did not actually report) H. R. 12833, to amend the act of July 14, 1955, relating to air pollution control, to authorize appropriations for an additional two-year period. p. D733

9. FARM PROGRAM. Rep. Findley criticized the wheat provisions of the Senate version of the farm bill and said, "No farm bill at all this year is far better than the one the Senate is now considering." p. 15518

10. FOOD STAMPS. Rep. Moore stated that one county in his district is eligible for the food stamp plan and that several in Rep. Bailey's district are also eligible for participation. p. 15522

11. PUBLIC WORKS. Rep. Cramer commended a recent administration decision to accelerate the Federal highway program, and said, "I urge the administration to accelerate other public works programs that have already been authorized and funded and proven programs to meet unemployment problems and to abandon the leaf-raking and pork-barrel program known as the public works acceleration bill." pp. 15522-5

H.R. 4449. An act to amend paragraph 1774 of the Tariff Act of 1930 with respect to the importation of certain articles for religious purposes;

H.R. 10852. An act to continue for a temporary period the existing suspension of duties on certain classifications of spun silk yarn, and to provide for the free entry of a towing carriage for the use of the Virginia Polytechnic Institute; and

H.R. 10928. An act to transfer casein or lactarene to the free list of the Tariff Act of 1930.

REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. JOHNSTON, from the Committee on Post Office and Civil Service, without amendment:

S. 2363. A bill to amend the Civil Service Retirement Act to provide for the inclusion in the computation of accredited service of certain periods of service rendered States or instrumentalities of States, and for other purposes (Rept. No. 1880).

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BUSH:

S. 3642. A bill to amend paragraph 1101(b) of the Tariff Act of 1930 to provide for the duty-free importation of certain wools for use in the manufacture of polishing felts; to the Committee on Finance.

(See the remarks of Mr. BUSH when he introduced the above bill, which appear under a separate heading.)

By Mr. SMATHERS:

S. 3643. A bill to amend section 660 of title 18 of the United States Code, relating to the misuse of common carriers' funds derived from commerce, in order to expand the coverage of such section; to the Committee on the Judiciary.

By Mr. JACKSON (by request):

S. 3644. A bill to authorize the acquisition of lands for addition to the Adams National Historic Site; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. JACKSON when he introduced the above bill, which appear under a separate heading.)

AMENDMENT OF PARAGRAPH 1101(b) OF TARIFF ACT OF 1930

Mr. BUSH. Mr. President, I introduce a bill to amend paragraph 1101(b) of the Tariff Act of 1930, and ask that it be appropriately referred.

I ask unanimous consent that the text of the bill and a statement prepared by me, in explanation of the bill may be printed in the RECORD following these remarks.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill and statement will be printed in the RECORD.

The bill (S. 3642) to amend paragraph 1101(b) of the Tariff Act of 1930 to provide for the duty-free importation of certain wools for use in the manufacture of polishing felts, introduced by Mr. BUSH, was received, read twice by its title, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the first sentence of paragraph 1101(b) of the Tariff Act of 1930 (19 U.S.C., sec. 1001, par. 1101(b)) is amended by inserting "pressed felt for polishing plate and mirror glass" immediately after "papermakers' felts,".

(b) The amendment made by subsection (a) shall be effective only with respect to wool or hair entered, or withdrawn from warehouse, for consumption, on or after the thirtieth day after the date of the enactment of this Act.

The statement presented by Mr. BUSH is as follows:

STATEMENT BY SENATOR BUSH

I have today introduced a bill to amend paragraph 1101(b) of the Tariff Act of 1930 (19 U.S.C., sec. 1001, par. 1101(b)) to permit the duty-free entry of certain coarse wools which are not produced in this country provided those wools are used in the manufacture of "pressed felt for polishing plate and mirror glass".

Paragraph 1101(b) lists a number of products for which such wools may be entered free of duty provided a bond is posted guaranteeing their end use in such products. The bill would simply add "pressed felt for polishing plate and mirror glass" to this list of products.

This bill is of great importance to the felt industry in this country. The tariff on imports of felt products made abroad from these same coarse wools was recently reduced by 20 percent in the multiple country tariff negotiations held at Geneva earlier this year. Even before the 20 percent tariff reduction just mentioned, felts of this type were being imported at prices substantially below domestic production costs for these felts. This statement alone serves amply to underscore the significance of the bill to the American felt industry.

I am advised that annual imports of these coarse wools, on a grease basis, have been running at something less than one million pounds. The average grade of these wools, under the system used to designate coarseness, is 36's to 40's and is therefore, as the present law requires, coarser than 46's. These wools in their principal type are designated as British Wool Type 220 (BWT 220).

As I have indicated, wools of this coarseness are not to be found in this country other than perhaps in entirely insignificant quantities. They are, in fact, virtually unknown in our domestic production of wool. For this reason, I do not anticipate that this bill will engender any opposition. It will not hurt any American industry but will be of great help to the domestic felt industry, a relatively small but important segment of our economy.

I understand that the various executive departments having an interest in this legislation have no objection to its enactment. In particular, I am informed that the Department of Agriculture and the Tariff Commission have no objection to legislation for this purpose.

I recommend accordingly that this legislation be enacted by the Senate.

ACQUISITION OF LANDS FOR ADDITION TO ADAMS NATIONAL HISTORIC SITE

Mr. JACKSON. Mr. President, by request, I introduce, for appropriate reference, a bill proposed by the Department of the Interior to authorize the acquisition of 5.08 acres of land to be added to the Adams National Historic Site at Quincy, Mass.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 3644) to authorize the acquisition of lands for addition to the Adams National Historic Site, introduced by Mr. JACKSON, by request, was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

TRADE EXPANSION ACT OF 1962—AMENDMENTS

Mr. PELL. Mr. President, I submit, for appropriate reference, and ask to have printed in the RECORD, some amendments to the trade expansion bill, H.R. 11970.

Wisely negotiated agreements under the trade program offered by President Kennedy offer many opportunities for expanded trade with the countries of the Common Market and other nations. However, we cannot neglect or sweep under the rug the problems which an expanded trade program can cause, particularly when some of our industries will be subject to increased competition from low-wage industries abroad. I am particularly concerned about the effect upon the State of Rhode Island.

Therefore, I hereby submit an amendment which directs the Secretary of Labor to compile a comparative real wage index which would contrast the average real wages or earnings—in terms of purchasing power—for a worker in an American industry with the average real wages or earnings for a worker in the same industry in a country with which we would be negotiating an agreement. It is my thought that this index would be used as a guide when negotiating tariffs and that any modification of duties or other import restrictions with respect to manufactured articles would be directly related to how the wage index for the industry in the country producing the product compared with the index for the American product.

My amendment provides that within 2 years from the date of passage of this act, the Secretary of Labor will provide the President, the Committee on Ways and Means of the House of Representatives, and the Committee on Finance of the Senate with these indexes, and they would consider whether to recommend the enactment of appropriate legislation to relate the wage index to tariff agreements. Such an index, I believe, would help to protect our industries from unfair foreign competition, and, especially, if agreements were made contingent upon and in proportion to periodic reductions in the wage differential, this could well provide an incentive toward improving wages in those industries of other countries where the wage index compares unfavorably with the index for the equivalent U.S. industry.

I would also like to submit several amendments which I believe would strengthen the adjustment assistance provisions of H.R. 11970, the Trade Expansion Act of 1962. I strongly believe

that adjustment assistance must be an integral and important part of this trade expansion program. It is a positive approach to the domestic problems which may be created. While I approve of all of the present adjustment provisions, I do not believe they are strong enough. In my judgment, we must have a more responsive adjustment assistance program which would provide more substantial and meaningful assistance to affected firms and communities in cases of import injury in enabling them to adjust to import competition.

In this connection, I submit an amendment which will make grants, in addition to loans, available to firms for the purpose of acquiring and installing new machinery, or modernizing or converting existing machinery. These incentive grants naturally would be made within the context of the firm's certified adjustment proposal if such a grant is deemed essential in order to enable the firm to carry out its approved adjustment proposal, and would cover up to two-thirds of the cost of the approved adjustment project.

This is not a new principle. When we condemn a man's house or his business to implement an urban renewal program, we compensate him for making a sacrifice in the public interest. If a man's business is injured in the national interest of expanding trade, there is no reason why the same principle should not apply.

The next amendment I wish to submit recognizes that in some instances, an affected firm or firms may well have deep roots in, and great importance to, the economic life of a particular community. Indeed, there are communities in my own State and throughout the United States whose economy is almost solely dependent upon a single industry. My amendment would authorize such a community which suffers serious injury through idling of productive facilities and unemployment resulting from expanded imports to apply for adjustment assistance. This would include technical assistance and appropriate financial assistance for public facilities which would materially contribute to the economic adjustment of the particular community.

I would also like to offer some comments regarding other improvements to the bill, although, in this connection, I am not submitting formal amendments at this time. I believe it is inequitable that, according to the present provisions of this bill, no worker may apply for adjustment assistance unless he had lost his job 30 days after the bill becomes law. This means, of course, that workers in import-troubled businesses who have already lost their jobs are not eligible for trade adjustment assistance. On the other hand, adjustment assistance for businesses is retroactive in that it may be based on economic conditions before the passage of the 1962 act and one criterion for deciding that any industry has been and still is in trouble is that there is serious unemployment. I believe this difference in treatment between firms and workers is unfair.

In my judgment, too, it would be very useful to try to reduce certain time limits and set others so that, for example, a small firm which is injured would not be insolvent by the time governmental action could be mobilized. It would seem to me that the Tariff Commission, which already has at hand many of the relevant statistics, would be able to make a determination such as is required under section 301(b) (1) and (2) is considerably less than 120 days, while determinations for firms and workers should be made promptly and well within the maximum of 60 days.

Another thought I have in connection with adjustment assistance is that it is tremendously important to encourage research and development, and to this end grants should be made to appropriate research institutes in order to develop new products and lines for use in affected industries. In this way, small firms would have the advantage of large expenditures which could not be divided up or rationalized on a small individual firm basis.

In conclusion, I want to emphasize my conviction that we must not lose sight of the fact that strong trade adjustment provisions must be a vitally important part of any realistic trade expansion program.

The PRESIDING OFFICER. The amendments will be received, printed, and referred to the Committee on Finance; and, without objection, the amendments will be printed in the RECORD.

The amendments are as follows:

On page 12, between lines 18 and 19, insert a new section as follows:

"SEC. 227. INDICES CONCERNING CERTAIN LABOR COSTS IN FOREIGN COUNTRIES.

"(a) The Secretary of Labor shall prepare suitable indices to provid a current and convenient basis for comparison of—

"(1) the average real wages or earnings (in terms of purchasing power) which prevail in the various manufacturing industries of foreign countries which produce manufactured articles to be considered for modification of duties or other import restrictions; and

"(2) the average real wages or earnings (in terms of purchasing power) which prevail in domestic industries which produce articles which are like or directly competitive with articles referred to in paragraph (1).

In determining average real wages or earnings in any industry, the Secretary shall consider the extent to which fringe benefits (including free meals at the plant, health and social security benefits, and free transportation) are received by workers in the industry in addition to their regular wages. In relating wages or earnings to purchasing power the Secretary shall consider available and relevant price indices on food, shelter, and clothing. In the preparation of such indices the Secretary may request information and advice from any of the executive departments or agencies of the Government.

"(b) The indices prepared by the Secretary of Labor pursuant to subsection (a) shall be submitted to the President, and to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate, not later than two years after the date of enactment of this Act. Such indices shall be considered by the President and such committees in determining whether to recommend the enactment of appropriate legislation authorizing the President to make any offer to a foreign country for the modification of duties or other import restrictions, with respect to manufactured articles, contingent upon and in proportion to, such periodic reductions in any wage differential that may exist between the domestic and foreign industries as may be desirable and appropriate in order to provide an incentive to certain foreign industries to bring their wages more closely in line with those prevailing in comparable domestic industries."

B

On page 36, line 20, strike out "or loans" and insert in lieu thereof "loans, or grants".

On page 37, between lines 9 and 10, insert the following new subsection:

"(c) Grants shall be made under this section only for the purpose of making funds available to the firm for the acquisition, installation, modernization, or conversion of machinery."

On page 37, line 10, strike out "(c)" and insert in lieu thereof "(d)".

On page 39, line 14, after "314" insert "in the form of a loan, guarantee, or participation in a loan,".

On page 39, after line 25, insert a new subsection as follows:

"(g) (1) Any grant under this chapter shall not exceed two-thirds of the cost, as determined by the Secretary of Commerce, of acquiring and installing new machinery, or modernizing or converting existing machinery, and no such grant shall be made to any firm unless the Secretary determines that the grant is essential in order to enable such firm to carry out its certified adjustment proposal.

"(2) The Secretary of Commerce shall by regulation provide for such supervision with respect to the expenditure of funds granted under this chapter as he deems necessary to insure that Federal funds are not wasted or dissipated."

C

On page 16, line 14, strike out "4" and insert "5".

On page 27, line 9, strike out "or 3" and insert in lieu thereof ", 3, or 4".

On page 27, line 10, strike out "or industries" and insert in lieu thereof "industries, or communities".

On page 27, line 17, after the period insert the following: "In the case of a community, such petition may be filed by any duly authorized representative of the community, including a public organization or association."

On page 29, between lines 17 and 18, insert a new paragraph as follows:

"(3) In the case of a petition by a community for a determination of eligibility to apply for adjustment assistance under chapter 4, the Tariff Commission shall, in addition to making an industry determination under subsection (b), determine whether, as a result of concessions granted under trade agreements, an article like or directly competitive with an article produced in the community is being imported into the United States in such increased quantities as to cause, or threaten to cause, serious injury to the economy of such community. In making its determination under this paragraph, the Tariff Commission shall take into account all economic factors which it considers relevant, including idling of productive facilities of one or more firms situated in the community, the resulting unemployment or under-employment in the community, and the extent to which the economy of the community depends upon the productive activities of such firm or firms."

On page 29, line 18, strike out "(3)" and insert "(4)".

On page 29, line 24, after "industry" insert ", or a community the economy of which is affected by such industry,".

On page 31, line 6, strike out "or (c)(2)" and insert ", (c)(2), or (c)(3)".

On page 31, line 7, after "workers" insert "or community".

On page 31, line 24, strike out "or".

On page 31, between lines 24 and 25, insert a new paragraph as follows:

"(4) provide, with respect to such industry, that communities the economies of which are dependent substantially on such industry may request the Secretary of Commerce for certifications of eligibility to apply for adjustment assistance under chapter 4, or".

On page 31, line 25, strike out "(4)" and insert "(5)".

On page 32, between lines 20 and 21, insert a new paragraph as follows:

"(3) The Secretary of Commerce shall certify, as eligible to apply for adjustment assistance under chapter 4, any community the economy of which is dependent substantially on an industry with respect to which the President has acted under subsection (a)(4), upon a showing by such community to the satisfaction of the Secretary of Commerce that the increased imports (which the Tariff Commission has determined to result from concessions granted under trade agreements) have caused serious injury or threat thereof to such community."

On page 32, line 23, strike out "or group of workers" and insert in lieu thereof ", group of workers, or community".

On page 32, line 24, strike out "or group of workers" and insert in lieu thereof ", group of workers, or community".

On page 67, between lines 2 and 3, insert a new chapter as follows:

"CHAPTER 4—ASSISTANCE TO COMMUNITIES

"SEC. 339. CERTIFICATION OF ADJUSTMENT PROPOSALS.

"(a) A community certified under section 302 as eligible to apply for adjustment assistance may, at any time within two years after the date of such certification, file an application with the Secretary of Commerce for adjustment assistance under this chapter. Within a reasonable time after filing its application, the community shall present a proposal for its economic adjustment.

"(b) Adjustment assistance under this chapter consists of either technical assistance or financial assistance, or both. Except as provided in subsection (c), no adjustment assistance shall be provided to a community under this chapter until its adjustment proposal shall have been certified by the Secretary of Commerce—

"(1) to be reasonably calculated materially to contribute to the economic adjustment of the community, and

"(2) to demonstrate that the community will make all reasonable efforts to use its own resources for economic development.

"(c) In order to assist a community which has applied for adjustment assistance under this chapter in preparing a sound adjustment proposal, the Secretary of Commerce may furnish technical assistance to such community prior to certification of its adjustment proposal.

"(d) Any certification made pursuant to this section shall remain in force only for such period as the Secretary of Commerce may prescribe.

"SEC. 340. USE OF EXISTING AGENCIES.

"(a) The Secretary of Commerce shall refer each certified adjustment proposal to such agency or agencies as he determines to be appropriate to furnish the technical and financial assistance necessary to carry out such proposal.

"(b) Upon receipt of a certified adjustment proposal, each agency shall promptly—

"(1) examine the aspects of the proposal relevant to its functions, and

"(2) notify the Secretary of Commerce of its determination as to the technical and financial assistance it is prepared to furnish to carry out the proposal.

"(c) Whenever and to the extent that any agency to which an adjustment proposal has been referred notifies the Secretary of Commerce of its determination not to furnish technical or financial assistance, and if the Secretary of Commerce determines that such assistance is necessary to carry out the adjustment proposal, he may furnish adjustment assistance under sections 341 and 342 to the community concerned.

"(d) There are hereby authorized to be appropriated to the Secretary of Commerce such sums as may be necessary from time to time to carry out his functions under this chapter in connection with furnishing adjustment assistance to communities, which sums are authorized to be appropriated to remain available until expended.

SEC. 341. TECHNICAL ASSISTANCE.

"(a) Upon compliance with section 340(c), the Secretary of Commerce may provide to a community, on such terms and conditions as he determines to be appropriate, such technical assistance as in his judgment will materially contribute to the economic adjustment of the community.

"(b) To the maximum extent practicable, the Secretary of Commerce shall furnish technical assistance under this section and section 339(c) through existing agencies, and otherwise through private individuals, firms, or institutions.

"(c) The Secretary of Commerce shall require a community receiving assistance under this section or section 339(c) to share the cost thereof to the extent he determines to be appropriate.

"SEC. 342. FINANCIAL ASSISTANCE.

"(a) Upon compliance with section 340(c), the Secretary of Commerce may provide to a community, or any public agency or instrumentality thereof, on such terms and conditions as he determines to be appropriate, such financial assistance in the form of loans or grants, or both, as in his judgment will materially contribute to the economic adjustment of the community. Such loans may be made directly or through the purchase of securities and obligations of the community or any public agency or instrumentality thereof.

"(b) Loans or grants under this section shall be made only for the purpose of making funds available for the purchase or development of land for such public facility usage, and the construction, rehabilitation, alteration, expansion, or improvement of such public facilities, as will, in the determination of the Secretary of Commerce, assist in the economic adjustment of the community by providing improved opportunities in the community for economic growth and expansion with a resulting reduction in unemployment or underemployment.

"(c) To the maximum extent practicable the Secretary of Commerce shall furnish financial assistance under this section through agencies furnishing financial assistance under other law.

"(d) In administering financial assistance under this section the Secretary of Commerce shall have the powers set forth in section 316(a).

"SEC. 343. CONDITIONS FOR FINANCIAL ASSISTANCE.

"(a) Loans under this chapter shall be subject to the restrictions and limitations set forth in subsections (a)(1), (a)(2), (a)(3), (a)(4), (b), and (d) of section 7 of the Area Redevelopment Act.

"(b) Grants under this chapter shall be subject to the restrictions and limitations set forth in (a)(1), (a)(2), (a)(3), (b), and (c) of section 8 of the Area Redevelopment Act, and no such grant shall be made unless the Secretary of Commerce determines that it is necessary in order to enable a community to carry out its certified adjustment proposal."

On page 67, line 3, strike out "4" and insert "5".

On page 72, line 14, strike out "5" and insert "6".

On page 73, line 3, strike out "and 3" and insert ", 3 and 4".

On page 77, after line 12, insert a new paragraph as follows:

"(7) The term 'community' means a political subdivision of, or an incorporated or unincorporated town in, any State (including the Commonwealth of Puerto Rico), and shall include the District of Columbia."

PRINTING OF REVIEW OF REPORT ON NOYO RIVER AND HARBOR, CALIFORNIA (S. DOC. NO. 121)

Mr. MANSFIELD. Mr. President, on behalf of the Senator from New Mexico [Mr. CHAVEZ], I present a letter from the Secretary of the Army, transmitting a report dated June 22, 1962, from the Chief of Engineers, Department of the Army, together with accompanying papers and illustrations, on a review of the reports on the Noyo River and Harbor, Calif., requested by a resolution of the Committee on Public Works, U.S. Senate. I ask unanimous consent that the report be printed as a Senate document, with illustrations, and referred to the Committee on Public Works.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRINTING OF REVIEW OF REPORT OF KANSAS RIVER AND TRIBUTARIES, KANSAS, NEBRASKA, AND COLORADO (S. DOC. NO. 122)

Mr. MANSFIELD. Mr. President, on behalf of the Senator from New Mexico [Mr. CHAVEZ], I present a letter from the Secretary of the Army, transmitting a report dated November 13, 1961, from the Chief of Engineers, Department of the Army, together with accompanying papers and illustrations, on a review of the reports on the Kansas River and tributaries, Kansas, Nebraska, and Colorado, requested by resolutions of the Committee on Public Works, U.S. Senate. I ask unanimous consent that the report be printed as a Senate document, with illustrations, and referred to the Committee on Public Works.

The PRESIDING OFFICER. Without objection, it is so ordered.

NOTICE OF RECEIPT OF NOMINATION BY COMMITTEE ON FOREIGN RELATIONS

Mr. FULBRIGHT. Mr. President, as chairman of the Committee on Foreign Relations, I desire to announce that yesterday the Senate received the nomination of Charles E. Bohlen, of the District of Columbia, a Foreign Service officer of the class of career ambassador, to be Ambassador to France.

In accordance with the committee rule, this pending nomination may not be considered prior to the expiration of 6 days of its receipt in the Senate.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE APPENDIX

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the Appendix, as follows:

By Mr. HARTKE:

Address delivered by Ted Sorenson, special assistant to the President, to the Western States Democratic Conference, August 6, 1962.

By Mr. JAVITS:

Address entitled "Visit U.S.A.: New Friends and Dollars for America," delivered by Voit Gilmore, Director, U.S. Travel Service, U.S. Department of Commerce, before the North Carolina Press Association's annual convention at Morehead City, N.C., on July 12, 1962.

By Mr. THURMOND:

Editorial entitled "Cut Costs, Then Reduce Taxes," published in the Columbia, S.C., Record of August 13, 1962.

Sundry editorials broadcast over radio station WOKE, Charleston, S.C., on August 9, and 19, 1962, relating to financing of the United Nations and foreign aid to Brazil.

Editorial entitled "Administration Inciting Negroes," published in the Greenville (S.C.) News of August 12, 1962, dealing with racial disturbances in Albany, Ga.

By Mr. COTTON (for Mr. BUTLER):

Letter dated August 6, 1962, from Senator BUTLER to President Kennedy, together with sundry newspaper articles dealing with the development and construction of the nuclear-powered merchant ship, the nuclear ship *Savannah*.

By Mr. WILEY:

Article entitled "U.S. Policy: Let Red China Stew," written by Donald May and published in the Wisconsin State Journal of August 9, 1962.

Sundry editorials dealing with the cloture motion to limit debate on the communications satellite bill.

TRIBUTE TO JORDAN W. CHAMBERS

Mr. LONG of Missouri. Mr. President, even though we know that death will come to every man, it is always a shocking and sad time when a good friend is suddenly taken from us.

As he was to countless thousands of persons, Jordan W. Chambers was a good and loyal friend of mine.

Mr. Chambers, officially, was a constable in St. Louis, Mo., and Democratic committeeman of the 19th ward. He was the oldest member in point of service on the St. Louis Democratic City Committee. But his ability and leadership were not confined by ward boundaries. His was the vital support which is credited with helping to win a first term U.S. Senate seat for Harry S. Truman. Thus, Mr. Chambers had a major role in the making of a President. But he was no stranger in this role: fantastic majorities in his and other wards of St. Louis had no small part in carrying Missouri for President John F. Kennedy. Through all his successes, yes, and failures, too, Jordan Chambers' word was his bond. He never went back on his word.

Jordan Chambers' outstanding leadership abilities, and his deep understanding of people and the problems of his city, State, and Nation will be greatly missed. While he grew to national prominence and power in the councils of his party, Jordan Chambers remained a deeply human man who got his greatest pleasure from doing things for others. He helped countless thousands.

One of Mr. Chambers' greatest accomplishments was in the practical direction he gave to the growing enlightenment which is making our Constitution a living guarantee of rights for all Americans.

Jordan Chambers' accomplishments were so many that he became a legend in his lifetime. In itself, that is a measure of how well he spent his allotted time on earth.

CIGARETTE ADVERTISING IN BRITAIN

Mrs. NEUBERGER. Mr. President, the Independent Television Authority of Great Britain has submitted a most constructive suggestion regarding cigarette advertising. I ask unanimous consent that the text of a note published by the Postmaster General of England relating to this subject, be printed in the RECORD.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

TEXT OF NOTE PUBLISHED BY THE POSTMASTER GENERAL OF ENGLAND IN THE OFFICIAL REPORT OF THE HOUSE OF COMMONS, JULY 10, 1962, CONCERNING ACTION TAKEN BY THE INDEPENDENT TELEVISION AUTHORITY IN CONNECTION WITH CIGARETTE ADVERTISING ON TELEVISION

The authority has concluded its review of cigarette advertising in the light of the report of the Royal College of Physicians and, with the support of the advertising advisory committee, has asked the program companies to secure modifications that will include the avoidance of those aspects of the advertising which could reasonably be taken to make a special appeal to young people. Neither the authority nor its advisory committee think it reasonable to be so discriminating as to use their powers to exclude all cigarette advertising from independent television alone. Action has already been taken by the tobacco industry voluntarily to withdraw all cigarette advertising until about 9 p.m.

The authority is now securing modifications of the advertising so that in the future there will be no advertisements that can be seen clearly to come within the following broad classes:

(1) Advertisements that greatly overemphasize the pleasure to be obtained from cigarettes.

(2) Advertisements featuring the conventional heroes of the young.

(3) Advertisements appealing to pride or general manliness.

(4) Advertisements using a fashionable social setting to support the impression that cigarette smoking is a "go-ahead" habit or an essential part of the pleasure and excitement of modern living.

(5) Advertisements that strikingly present romantic situations and young people in love, in such a way as to seem to link the pleasures of such situations with the pleasures of smoking.

THE VOICE OF THE NEW MEXICO TAXPAYER

Mr. CHAVEZ. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a special press release from the Taxpayers' Association of New Mexico, including an essay written by Laurie D. Bourne, a student at Eisenhower Junior High School in Carlsbad, N. Mex., entered in the Bill of Rights essay contest of the Los Angeles Examiner.

There being no objection, the press release was ordered to be printed in the RECORD, as follows:

THE VOICE OF THE NEW MEXICO TAXPAYER

This week's message was mailed to us, and came from the Los Angeles Examiner Bill of Rights essay contest, and was written by Laurie D. Bourne; she is a student at Eisenhower Junior High School in Carlsbad, N. Mex.

"MR. BILL OF RIGHTS

"Since there is only one of me in the United States, this composition won't be exactly like anybody else's. The words and punctuation will be different. But no matter whose interpretation you read or hear, the guarantees under the Bill of Rights are the same to every citizen of the United States—big or little, rich or poor.

"My history book was the first acquaintance I had with Mr. Bill of Rights. Being somewhat older than myself, I (sic) had a little trouble understanding him at first. He told me his father, Mr. Jefferson, had given him a special meaning that little people like me could interpret in their own ways.

"After I closed my book, I got to thinking about what my new friend had said. I am a Protestant and will always remain so. However, a good friend of mine is a Catholic. Freedom of religion, h'mmm—why that means I'm free to go to Sunday school, church, choir and youth fellowship wherever I please.

"Freedom of speech—that means I can criticize our government and say or write most anything I want to. Of course, I'm not going to say to someone, 'I don't like your hair, shoes, dress, etc.' Mom and Emily Post wouldn't consider that proper. But still, I can cry out if something harms me.

"Guarantee of trial by jury. Mr. Bill of Rights certainly stressed this one. He mentioned that without this right people wouldn't have half a chance for freedom. This means that no official can walk up to you and say, 'You're guilty. Come to jail or pay me.' You have a right to know what you are being charged with, and you can refuse to answer any questions that might incriminate you—unless of course you are on trial by a jury.

"Freedom to limit the right of search. Let me see. This means that nobody can come into my house and behave like a cyclone. Anything in my drawer or in my pocket is marked 'Private.' The police can search me if I have done something definitely illegal, but I don't ever intend to do so, not with such bountiful opportunities as I have. My family, my friends, my country and my future are all protected by Mr. Bill of Rights.

"He surely makes the United States a wonderful place to live—doesn't he?"

HAGUE PROTOCOL TO THE WARSAW CONVENTION

Mr. FULBRIGHT. Mr. President, I ask unanimous consent that there be inserted at this point in the RECORD a press release which I issued today announcing that the executive branch has submitted its recommendations on the Hague Protocol to the Warsaw Convention, together with executive branch correspondence on this subject.

There being no objection, the statement and correspondence were ordered to be printed in the RECORD, as follows:

Senator J. W. FULBRIGHT, the chairman of the Committee on Foreign Relations an-

10. FOREIGN AID. Sen. Proxmire inserted an AID release on the amount of U. S. foreign assistance business received by various States, and contended that "Wisconsin is getting less than one-third of the share it should get on a pro-rata basis." pp. 16295-6

11. FOREIGN TRADE. The "Daily Digest" states that the Finance Committee continued executive consideration of H. R. 11970, the proposed Trade Expansion Act of 1962, and "agreed tentatively to amend section 102 of the bill, the Statement of Purposes, by requiring that the mutual benefits to be derived must be trade benefits." p. D761

12. WORLD FOOD CONGRESS. Received from the State Department a proposed bill to authorize an appropriation to enable the U. S. to extend an invitation to the Food and Agriculture Organization of the United Nations to hold a World Food Congress; to Foreign Relations Committee. p. 16283

13. PURCHASING. Both Houses received from the Justice Department a report on identical bidding in public procurement.

14. LEGISLATIVE PROGRAM. Sen. Mansfield announced that the agricultural appropriation bill will be considered Sat., Aug. 25. pp. 16343, 16362

HOUSE

15. TERRITORIES. Received the conference report on H. R. 10062, to extend the application of certain laws to American Samoa (H. Rept. No. 2264) (pp. 16265-6). The statement of the managers on the part of the House includes the following statement:

"When the House considered H. R. 10062, it concluded that the various Federal departments and agencies should be authorized to render scientific and technical assistance to the government of American Samoa upon request of its Governor and that the benefits of certain laws which are applicable in the United States proper could be extended to American Samoa, also upon the request of its Governor.

" The Senate amended the House language to provide (1) that requests for scientific or technical assistance would be made by the Secretary of the Interior rather than the Governor, and (2) that the other specified types of assistance would be available in American Samoa in accordance with the laws governing such types of assistance without specifically requiring a request therefor from the Governor or the Secretary.

"The House conferees agreed to the first of these amendments and the Senate agreed to the House position that requests for assistance under the National School Lunch Act, the Vocational Education Act, the Library Services Act, the Hospital Survey and Construction Act, and section 314 of the Public Health Service Act should precede the rendering of such assistance. The conferees' substitute for the first section of the Senate amendment carries out these two points."

16. AIR POLLUTION. The Interstate and Foreign Commerce Committee reported without amendment H. R. 12833, to authorize appropriations for an additional 2-year period for air pollution central measures. (H. Rept. 2265). p. 16282

17. RESERVOIRS. The Public Works Committee reported without amendment H. R. 11799, defining the interest of local public agencies in water reservoirs constructed by the Government which have been financed partially by such agencies (H. Rept. 2266). p. 16282

18. MINERALS. Conferees were appointed on H. R. 8134, to authorize the sale of the mineral estate in certain lands; and H. R. 10566, to provide for the withdrawal and orderly disposition of mineral interests in certain public lands in Pima County, Ariz. p. 16265

19. INFORMATION; PAMPHLETS. Rep. Michel criticized this Department's pamphlet, "Packet for the Bride," and stated that "there are a number of charges made against the Department of Agriculture for benefits to the consumer rather than the farmer; and this is just another example." pp. 16270-1

20. PRICES; LABELING. Rep. Randall discussed some of the principles of quality stabilization as expressed by the proposed bill and urged support for passage of the bill. pp. 16268-9

21. PUBLIC WORKS. Rep. Schwengel opposed passage of the public works acceleration bill and stated that is is inadequate, unsound, and could very well end up in the creation of the "largest political 'slush fund' with the taxpayers' money that the Congress has ever passed." pp. 12271-4

22. LEGISLATIVE PROGRAM. Rep. Albert announced that on Mon., the following will be considered under suspension of the rules: S. 3574, to extend International Wheat Agreement; H. R. 7195, to add lands to Wasatch National Forest; and S. 4, Padre Islands National Seashore. He also stated that on Tues. the public works acceleration bill, and that on Wed. the experiment station research facilities bill will be considered. p. 16264

23. ADJOURNED until Mon., Aug. 27. p. 16281

ITEMS IN APPENDIX

24. FOOD STAMPS. Extension of remarks of Rep. Hall criticizing the handling of the food stamp program and inserting a newspaper article to substantiate his statement (p. A6356-7). Rep. Ray inserted the same article (pp. A6369-70).

25. FOREIGN TRADE. Sen. Thurmond inserted an editorial on the trade expansion bill entitled "Deadly Threat to State" amd a statement by Congressman Rivers on the same subject "Rivers Sees Socialization in Trade Act - Threat to South Carolin Payrolls, Congressman Says." pp. A6362-3

26. MONOPOLIES. Extension of remarks of Rep. Patman and insertion of an address delivered at the annual meeting of the American Farm Economics Association reviewing the effectiveness of our antitrust program. pp. A6364-5

27. FARM PROGRAM. Rep. Gathings extended his remarks and inserted an Arkansas agricultural editor's article "The CED Report: Dark-Age Remedy for Farmers' Ills." pp. 6368-9

28. PUBLIC WORKS. Extension of remarks of Rep. Blatnik and insertion of an article in support of the pending public works acceleration bill. pp. A6366-7
Extension of remarks of Rep. Rains in support of the public works bill and insertion of a table showing projects planned or being planned in areas eligible for aid under this program. pp. A6378-82

BILLS INTRODUCED

29. RESEARCH. H. R. 12959, by Rep. Glenn, to authorize the Secretary of the Interi or to construct two modern stern ramp trawlers to be used for research, to Merchant Marine and Fisheries Committee.

30. PERSONNEL. H. R. 12961, by Rep. Holifield, to amend the Administrative Expense Act of 1946 (60 Stat. 806), as amended (5 USC 73b-1), to authorize payment of expenses for storage of household goods and personal effects of civilian employees assigned to isolated duty stations; to Government Operations Committe

retary Paul B. Fay and Rear Adm. William A. Mott, Judge Advocate General, both of the Navy; Nicholas deB. Katzenbach, Deputy Attorney General; and Rear Adm. Harold A. Houser, USN (retired), representing the Retired Officers Association.

TRANSPORTATION

Committee on Commerce: The committee continued hearings on S. 3242, to provide for the strengthening and improving of the national transportation system; and S. 3243, to exempt certain carriers from minimum rate regulation in the transportation of passengers and certain commodities, receiving testimony from D. W. Brosnan, Southern Railway System; and Ben W. Heineman, Chicago & North Western Railway.

Hearings continue tomorrow.

TRADE EXPANSION

Committee on Finance: Committee continued its executive consideration of H.R. 11970, proposed Trade Expansion Act of 1962, after which it announced the following actions:

The committee agreed tentatively to amend section 102 of the bill, the Statement of Purposes, by requiring that the mutual benefits to be derived must be trade benefits.

Paragraphs Nos. 3 and 4 of the Statement of Purposes were deleted. These refer to assistance to underdeveloped countries and the prevention of Communist penetration. It was the opinion of the majority of the committee that the balance of the Statement of Purposes was sufficiently broad to permit the President to carry out the intent of the program.

Deleted section 231 of House-passed bill, substituting therefor related provision in existing law. This is the section relating to Communist-dominated areas and the change would permit a continuation of the present practice of granting most-favored-nation treatment to Yugoslavia and Poland. This section was further amended to include specific reference to Communist China as one area which may not receive most-favored-nation treatment.

Committee will continue consideration of this bill tomorrow.

INVESTIGATION—USDA-ESTES

Committee on Government Operations: The Permanent Subcommittee on Investigations continued its hearings on the financial activities of Billie Sol Estes, receiving further testimony from Emery E. Jacobs, a former employee of the Commodity Stabilization Service, Department of Agriculture.

Hearings continue tomorrow.

PUBLIC LANDS

Committee on Interior and Insular Affairs: Subcommittee on Public Lands, in executive session, approved for full committee consideration with amendments S. 783, providing for the addition of certain property in Philadelphia to the Independence National Historical Park; S. 3335, to change the name of Big Hole Battlefield National Monument to Big Hole National Battlefield, and revise the boundaries thereof; S. 3451, providing relief for residential occupants of unpatented mining claims upon which valuable improvements have been placed; S. 3283, to amend the Enabling Act of Arizona to allow the sale of lands granted to the State; S. 3019, to convey certain real property of the U.S. to the State of Maryland; and S. 3160, to amend the act concerning homestead entry on land containing coal, oil, and gas so as to extend its provisions to the townsite laws applicable in Alaska; and without amendment S. 3566, to change the name of Harpers Ferry National Monument to Harpers Ferry National Historical Park.

Subcommittee ordered reported to the full committee without recommendation S. 3530, authorizing establishment of the Tocks Island National Recreation Area, Pa., and N.J.

Committee on Post Office and Civil Service: Committee concluded its hearings on H.R. 7927, proposed Postal Revision Act of 1962, after receiving testimony from Representative Cunningham; Bela Bachkai, American Hungarian Federation; and Christopher Emmet, American Friends of the Captive Nations, New York City.

Statements were submitted for inclusion in the record by Representatives Ashbrook, Baring, Beermann, Derwinski, Dole, and Rousselot; Rev. I. K. Cross, president, Eastern Baptist Institute; Ralph T. Kilgore, Pikeville College, Kentucky; and the Veterans of Foreign Wars.

It was announced that the record would remain open until Wednesday, August 29, for the inclusion of additional written material.

House of Representatives

Chamber Action

Bills Introduced: 15 public bills, H.R. 12954–12968; 5 private bills, H.R. 12969–12973; and 1 resolution, H.J. Res. 859, were introduced. Page 16282

Bills Reported: Reports were filed as follows:

S. 3317, relating to personal property coming into the custody of the property clerk, Metropolitan Police Department, amended, filed on August 21 (H. Rept. 2257);

H.R. 10916, relating to false statements—insurance acts of the District of Columbia, amended, filed on August 21 (H. Rept. 2258);

H.R. 12418, amending the act entitled "An Act to authorize the Commissioners of the District of Columbia to make regulations to prevent and control the spread of communicable and preventable diseases," approved August 11, 1939, as amended, filed on August 21 (H. Rept. 2259);

H.R. 12467, relating to the appointment of the District of Columbia Armory Board, filed on August 21 (H. Rept. 2260);

Two private bills, S. 149 and H.R. 10897 (H. Repts. 2261 and 2262, respectively);

S. 2250, to provide for the incorporation of the National Women's Relief Corps, Auxiliary to the Grand Army of the Republic (H. Rept. 2263);

Conference report on H.R. 10062, extending the application of certain laws to American Samoa (H. Rept. 2264);

H.R. 12833, extending the Air Pollution Control Act (H. Rept. 2265); and

H.R. 11799, defining local agencies' interests in water reservoirs constructed by the Government (H. Rept. 2266). Pages 16281–16282

Legislative Program: The legislative program for the week of August 27–September 1 was announced by the majority leader. Page 16264

Calendar Wednesday: Agreed to dispense with Calendar Wednesday business of August 29. Page 16265

Arizona Minerals: The House disagreed to Senate amendments to the following two bills relating to Arizona minerals, requested conferences with the Senate, and appointed Representatives Edmondson, Rogers of Texas, Morris, Saylor, and Wharton conferees on both bills;

H.R. 8134, authorizing sale of mineral rights to the surface owners of some 4,500 acres near Phoenix; and

H.R. 10566, to withdraw some 425,000 acres at Tucson from all forms of mineral entry. Page 16265

Bills Referred: Two Senate-passed bills were referred to appropriate committees. Page 16281

Program for Monday: Adjourned at 12:49 p.m. until Monday, August 27, at 12 o'clock noon, when the House will consider, under suspension of the rules, 18 miscellaneous bills, also will act on 4 bills relating to the District of Columbia (for titles of bills see page 16246).

Committee Meetings

FOOD-DRUG ACT

Committee on Interstate and Foreign Commerce: Concluded hearings on H.R. 11581, to protect the public health by amending the Federal Food, Drug, and Cosmetic Act to assure the safety, efficacy, and reliability of drugs. Heard testimony from various public witnesses.

UNEMPLOYMENT COMPENSATION

Committee on Ways and Means: Continued hearings on proposals for a limited-duration program of extended temporary unemployment compensation benefits. Heard testimony from Representative Blatnik; and officials from various State agencies. Hearings continue Friday, August 24.

Joint Committee Meetings

NOMINATIONS

Joint Committee on Atomic Energy: The Senate section of the committee, in executive session, approved for reporting the nominations of James T. Ramey and John G. Palfrey, to be members of the Atomic Energy Commission.

COMMITTEE MEETINGS FOR FRIDAY, AUGUST 24

(*All meetings are open unless otherwise designated*)

Senate

Committee on Appropriations, to continue executive hearings on fiscal 1963 budget estimates for foreign aid, to hear AID Administrator Hamilton, 10:30 a.m., 1223 New Senate Office Building.

Subcommittee, executive, on H.R. 12711, independent offices appropriations, 2 p.m., room F–37, Capitol.

Committee on Banking and Currency, on S.J. Res. 133, to coin a medal in recognition of the services of Speaker Sam Rayburn, 11 a.m., 5302 New Senate Office Building.

Committee on Commerce, on S. 3242 and S. 3243, the administration's transportation bills, 9:30 a.m., 5110 New Senate Office Building.

Committee on Finance, executive, on H.R. 11970, Trade Expansion Act, 10 a.m., 2221 New Senate Office Building.

Committee on Government Operations, Permanent Subcommittee on Investigations, on the financial activities of Billie Sol Estes, 10 a.m., 318 Old Senate Office Building.

Committee on the Judiciary, subcommittee, on the nomination of Thurgood Marshall, to be U.S. circuit judge, second circuit, 10:30 a.m., 2228 New Senate Office Building.

Committee on Labor and Public Welfare, Subcommittee on Education, executive, on S. 2826, Improvement of Educational Quality Act; S. 2830, extending the act providing Federal aid to schools in areas affected by Federal activities to the D.C.; and S. 3477, General University Extension Education Act, 10 a.m., 4232 New Senate Office Building.

Committee on Public Works, Subcommittee on Rivers and Harbors—Flood Control, on various navigation and flood control projects, 10 a.m., 4200 New Senate Office Building.

House

Committee on Ways and Means, on proposals for a limited duration program of extended temporary unemployment compensation benefits, 10 a.m., committee room, New House Office Building.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE

(For information only; should not be quoted or cited)

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For actions of August 29, 1962
87th-2d, No. 155

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HIGHLIGHTS: Senate passed appropriations continuation measure. Sen. Yarborough commended REA program. House committee reported bill for retirement credit for Federal-State cooperative service. House passed public works acceleration bill.

HOUSE

1. PUBLIC WORKS. Passed with an amendment (inserting the language of H. R. 10113) S. 2965, the proposed Public Works Acceleration Act. A similar bill, H. R. 10113, was laid on the table. pp. 16923-52

Agreed to the following amendments to H. R. 10113:

By Rep. Wright to delete the provision creating an Office of Public Works Coordination and Acceleration. pp. 16939-40

By Rep. Blatnik to provide that "No part of any allocation made by the President under this Act shall be made available for any planning of construction, directly or indirectly, of any school or other educational facility." pp. 16940-2

By Rep. Scranton, 122 to 70, to allow the Federal Government to contribute up to 75% of the cost of public works projects. pp. 16943-7

Rejected the following amendments to H. R. 10113:

By Rep. Dent, 10 to 121, to allow the Federal Government to finance the entire cost of public works projects in certain cases. pp. 16945-7

By Rep. Flynt to add to the definition of "eligible area" any "area which the governing body thereof certifies to the Secretary of Commerce is an area of substantial unemployment." pp. 16947-8

2. FARM LABOR. Rep. Derwinski inserted an article, "Priest Wages War on Migrants' Poverty." pp. 16970-1

3. PERSONNEL. The Post Office and Civil Service Committee reported without amendment H. R. 10539, to amend the Federal Employees Health Benefits Act of 1959 to provide additional choice of health benefits plans (H. Rept. 2294), and with amendment H. R. 3258, to allow credit under the Civil Service Retirement Act to certain Federal employees for service in Federal-State cooperative programs in a State (H. Rept. 2295). p. 16973

A subcommittee of the Post Office and Civil Service Committee voted to report to the full committee S. 1070, to amend the Federal Employees Life Insurance Act of 1954, so as to provide for an additional unit of life insurance. p. D787

4. LEGISLATIVE PROGRAM. Rep. Albert announced that on Thurs., Aug. 30, the rule to send the farm bill to conference will be considered, followed by H. R. 12712, to assist the States to provide additional facilities for research at the State agricultural experiment stations. pp. 16959-60

SENATE

5. APPROPRIATIONS. Passed without amendment H. J. Res. 864, the appropriations continuation measure to make temporary appropriations until September 30, 1962 for those departments and agencies whose annual appropriation bills have not yet been enacted. This measure will now be sent to the President. pp.16977-8 17010

A subcommittee of the Appropriations Committee approved for full committee consideration H. R. 12870, the military construction appropriation bill for 1963. p. D784

6. ELECTRIFICATION. Sen. Yarborough commended the REA program and inserted a letter to the editor by REA Administrator Clapp defending his agency against a report of "Edison Electric Institute Vice President Edwin Vennard as charging that the Rural Electrification Administration has overstepped its legislative mandate by 'promoting Government ownership of the electric power business'" pp. 16984-5

7. TAXATION. Continued debate on H. R. 10650, the proposed Revenue Act of 1962 (pp. 16987-17005, 17011-51). By a vote of 62 to 17, tabled an amendment by Sen. Douglas to repeal the provision of law providing for the withholding of income tax on wages and salaries (pp. 17045-6). Pending at adjournment was the committee amendment to permit income tax deductions for farmers for land-clearing expenses (pp. 17049-51).

8. OCEANOGRAPHY. Conferees were appointed on S. 901, to provide for a long-range national program in oceanography. House conferees have not yet been appointed pp. 17010-11

9. SAFETY. The Judiciary Committee reported without amendment S. J. Res. 222, to provide for the designation of Oct. 1962 through Oct. 1963 as "National Safety Council 50th Anniversary Year" (S. Rept. 1981). p. 16974

10. FOREIGN TRADE. Sen. Smathers submitted amendments intended to be proposed to H. R. 11970, the proposed Trade Expansion Act of 1962. p. 16975

Digest of CONGRESSIONAL PROCEEDINGS
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OFFICE OF BUDGET AND FINANCE
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HIGHLIGHTS: Senate committee voted to report bills for revised apportionment of school lunch and extension work funds, expanded forestry research, land development program in Alaska, and cooperation with States in administration of agricultural laws. Senate committee reported roads bill. Sen. Neuberger urged removal of Jones Act restrictions on lumber shipments to Puerto Rico. Sen. Humphrey urged discontinuance of administrative budget.

SENATE

1. AGRICULTURE AND FORESTRY COMMITTEE. The Agriculture and Forestry Committee voted to report (but did not actually report) without amendment S. 2805, to provide for a program of agricultural land development in Alaska; S. 3589, authorizing acquisition of certain lands in Wright County, Minn., for exchange for State-owned lands in Superior National Forest; S. 3475, to provide further cooperation with the States in the administration and enforcement of certain Federal laws; H. R. 9728, authorizing an increase from $2.5 million to $5 million in the annual appropriation under the Cooperative Forest Management Act; H. R. 12589, to revise the formula for the distribution of Federal funds for agricultural extension work; with amendment H. R. 12688, authorizing cooperation with and encouragement of the States in carrying out programs of forestry research; and H. R. 11665, to revise the formula for the apportionment among the States of funds under the National School Lunch Act. p. D808

2. INTERIOR AND INSULAR AFFAIRS COMMITTEE. The Interior and Insular Affairs Committee voted to report (but did not actually report) S. 3335, changing the name of Big Hole Battlefield National Monument to Big Hole National Battle-

field, and acquiring additional land therefor (amended); S. 3530, authorizing acquisition of land along the Delaware River for the creation of Tocks Island National Recreation Area (amended); S. 3160, to amend the act concerning homestead entry on land containing coal, oil, and gas so as to extend its provisions to the townsite laws applicable in Alaska (amended); S. J. Res. 136, to determine the susceptibility of minerals to electrometallurgical processes (amended); H. R. 9280, to give the Secretary of the Interior discretionary authority to sell certain mineral and vegetative materials on public lands by negotiation rather than by competitive bid when in the best interest of the Government; H. R. 10540, to make deposits of petrified wood disposable under the Materials Act; and H. R. 11164, to approve an amendatory repayment contract negotiated with the Quincy Columbia Basis Irrigation District. p. D809

3. ROADS. The Public Works Committee reported with amendments H. R. 12135, the proposed Federal-Aid Highway Act of 1962, which includes authorizations for forest highways and forest development roads and trails (S. Rept. 1997). p. 17425

4. FORESTRY. Sen. Neuberger stated that no domestic lumber is now being shipped to Puerto Rico because of certain restrictions of the Jones Act and that she intended to propose an amendment to the foreign trade bill to permit the Secretary of Commerce to waive Jones Act requirements with respect to such lumber shipments to Puerto Rico. p. 17427

5. BUDGET. Sen. Humphrey urged that the present administrative budget be replaced by two budgets, "the current budget covered by current revenues, and the capital budget financed largely by borrowings backed up by capital assets and by earnings from these projects," and stated that "until we scrap the obsolete accounting procedures of the Federal administrative budget, we will be unable to create the dynamism which one has a right to expect from the leader of the free world." pp. 17557-8

6. TAXATION. Continued debate on H. R. 10650, the proposed Revenue Act of 1962 (pp. 17425-7, 17440-556). Agreed to a unanimous-consent agreement that, effective Thurs., Sept. 6, further debate on the bill will be limited to four hours (p. 17516). Sen. McCarthy inserted a statement to clarify the tax status of farmers' cooperatives after Sen. Kerr assured him that "I have a positive conviction that nothing in the bill would lose to a cooperative any tax-exempt status it now has under existing law" (p. 17551).

7. RECLAMATION. The Interior and Insular Affairs Committee reported without amendment H. R. 575, to authorize construction of the upper division of the Baker reclamation project, Ore. (S. Rept. 1996). p. 17425

8. APPROPRIATIONS. The "Daily Digest" states that a subcommittee of the Appropriations Committee "marked up and agreed to report to the Subcommittee on Public Works proposed funds for the Atomic Energy Commission and the Tennessee Valley Authority embodied in H. R. 12900, fiscal 1963 appropriations for public works. p. D808

9. FOREIGN TRADE. Sen. Neuberger submitted an amendment intended to be proposed to H. R. 11970, the foreign trade bill. p. 17425

10. FORESTRY; NATURAL RESOURCES. Sen. Morse inserted his speech at the Western States Democratic Conference at Seattle, Wash., on Aug. 5, in which he discusses legislation relating to forestry, natural resource development, and other subjects. pp. 17569-70

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE

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HIGHLIGHTS: Senate committee tentatively agreed to foreign trade bill amendment re agricultural import restrictions. Senate committee reported bill for housing for elderly in rural areas. Sen. Tower urged delay in consideration of foreign trade bill. Rep. Berry criticized lumber imports and discussed problems of lumber industry. Sen. Bottum introduced and discussed bill for emergency transportation of farm products in Midwest. Rep. Kitchin introduced and discussed bills to restrict imports of cotton products.

SENATE

1. HOUSING. The Banking and Currency Committee reported without amendment H. R. 12628, to authorize a program of housing for the elderly in rural areas. This bill includes authorization of $50 million additional in loan funds for Farmers Home Administration loans for new construction on farms and in rural nonfarm areas, authorization for the appropriation of $50 million for a new program of FHA direct loans to private nonprofit corporations and consumer cooperatives to build moderate-cost rental housing for the elderly, and an increase in the rural grant ceiling from $500 to $1,000 for home improvements by owner-occupants whose incomes are so low they cannot qualify for loans from any source. (S. Rept. 2049). p. 18214

   The Rules and Administration Committee reported a resolution to authorize the printing of additional copies of a committee print, "Housing for the Elderly." p. 18213

2. FOREIGN TRADE. The "Daily Digest" states that the Finance Committee continued consideration of H. R. 11970, the proposed Trade Expansion Act of 1962, and announced "the following tentative actions thereon":

"1. Section 221, relating to the advice of the Tariff Commission to the President prior to negotiations was redrafted to make more specific the factors to be taken into consideration by the Tariff Commission in making the prenegotiation study.

"2. Approved an amendment substituting for the provisions of the bill relating to the EEC a new group, called the Free European Trading Community, consisting of all members of the European Economic Community and such members of the European Free Trade Association as the President may designate.

"3. Adopted an amendment redesignating section 252(c) as (d) and inserting a new section (c) which would provide that whenever a country which receives benefits from trade agreement concessions made by the U.S. maintains unreasonable import restrictions which either directly or indirectly substantially burden U.S. commerce, the President may suspend, withdraw, or prevent the application of benefits of trade agreement concession to products of such country or refrain from proclaiming benefits of trade agreement concessions to carry out a trade agreement with such country.

"4. Adopted amendment to provide that nothing contained in this act shall be construed to repeal or modify in any way any of the provisions of section 22 of the Agricultural Adjustment Act, or to apply to any import restrictions heretofore or hereafter imposed under said section."

Sen. Tower discussed the difficulties involved in Great Britain's proposed entry into the European Common market and urged delay in passage of the proposed Trade Expansion Act of 1962, stating "It would be sheer folly for us to proceed at full speed through the murk now engulfing world trade." pp. 18216-7

3. MINERALS. The Interior and Insular Affairs Committee reported without amendment H. R. 9280, to give the Secretary of the Interior discretionary authority to sell certain mineral and vegetative materials on public lands by negotiation rather than by competitive bid when in the best interest of the Government (S. Rept. 2035), and with amendment S. J. Res. 136, to determine the susceptibility of minerals to electrometallurgical processes (S. Rept. 2034). p. 18213

4. STOCKPILING. The Armed Services Committee voted to report (but did not actually report) H. Con. Res. 509, expressing approval of the Congress for the disposition of certain materials from the national stockpile, and H. R. 12416, authorizing the sale of chestnut extract from the strategic stockpile. p. D836

5. LAW; COURTS. Sen. Hruska endorsed the provisions of H. R. 1960, to make it possible to bring actions against Government officials and agencies in U. S. district courts outside D.C. p. 18221

6. TRANSPORTATION. Sen. Dirksen inserted a brochure on the national conference on private and unregulated transportation to be held Oct. 29 at the transportation center at Northwestern University. pp. 18263-4

7. FEDERAL-STATE RELATIONS. Sen. Muskie announced that the Subcommittee on Intergovernmental Relations of the Senate Government Operations Committee will hold hearings Sept. 18 on problems in the field of Federal-State-local relations. p. 18216

8. INFORMATION. Sen. Humphrey announced that the Senate Government Operations Subcommittee on Reorganization and International Organization will hold hearings Sept. 20 on future plans of the Government to improve the management of information, particularly scientific and engineering information. pp. 18241-3

Orleans; Morris Creditor, president, Ohio River Co., Cincinnati; Paul Hochelle, who appeared on behalf of Tidewater Barge Lines, Portland, Oreg.; and Alan F. Wohlstetter, who appeared on behalf of Pacific Inland Navigation Co., Vancouver, Wash.

Hearings continue on Monday, September 17.

VESSELS

Committee on Commerce: The Merchant Marine and Fisheries Subcommittee concluded hearings on S. 3649, to provide that the vessels *Montauk* and *Glenbrook* may be U.S.-flag commercial vessels for the purposes of section 901(b) of the Merchant Marine Act, after receiving testimony from J. W. Gulick, Acting Maritime Administrator.

TRADE EXPANSION

Committee on Finance: Committee continued its executive consideration of H.R. 11970, proposed Trade Expansion Act of 1962, and announced the following tentative actions thereon:

1. Section 221, relating to the advice of the Tariff Commission to the President prior to negotiations was redrafted to make more specific the factors to be taken into consideration by the Tariff Commission in making the prenegotiation study.

2. Approved an amendment substituting for the provisions of the bill relating to the EEC a new group, called the Free European Trading Community, consisting of all members of the European Economic Community and such members of the European Free Trade Association as the President may designate.

3. Adopted an amendment redesignating section 252(c) as (d) and inserting a new section (c) which would provide that whenever a country which receives benefits from trade agreement concessions made by the U.S. maintains unreasonable import restrictions which either directly or indirectly substantially burden U.S. commerce, the President may suspend, withdraw, or prevent the application of benefits of trade agreement concession to products of such country or refrain from proclaiming benefits of trade agreement concessions to carry out a trade agreement with such country.

4. Adopted amendment to provide that nothing contained in this act shall be construed to repeal or modify in any way any of the provisions of section 22 of the Agricultural Adjustment Act, or to apply to any import restrictions heretofore or hereafter imposed under said section.

Committee will continue consideration of this measure tomorrow.

INVESTIGATION—USDA-ESTES

Committee on Government Operations: The Permanent Subcommittee on Investigations continued hearings on the financial activities of Billie Sol Estes, receiving further testimony from Battle Hales, Defense Services Staff, ASCS, Department of Agriculture.

Hearings continue tomorrow.

NOMINATION

Committee on the Judiciary: Committee concluded its hearings on the nomination of Arthur J. Goldberg, of Illinois, to be an Associate Justice of the Supreme Court, after hearing the nominee testify and answer questions on his own behalf.

NATIONAL INSTITUTES OF HEALTH

Committee on Labor and Public Welfare: Subcommittee on Health held hearings on S. 2269 and H.R. 11099, authorizing establishment within the PHS of a National Institute of Child Health and Human Development and a National Institute of General Medical Sciences, receiving testimony from Boisfeuillet Jones, Assistant to the Secretary for Health and Medical Affairs, Department of HEW, who was accompanied by Dr. David E. Price, Deputy Surgeon General, and Dr. James A. Shannon, Director, National Institutes of Health, both of the PHS; Dr. Nicholas T. Eastman, University of Minnesota Medical School, who was accompanied by Dr. Lewis Hellman, State University of New York, Downstate Medical School, Brooklyn; Dr. Robert E. Cooke, Johns Hopkins University School of Medicine, Baltimore; and Dr. Philip Handler, Duke University School of Medicine, Durham, N.C.

Hearings were adjourned subject to call.

OMNIBUS FLOOD CONTROL BILL

Committee on Public Works: Subcommittee on Flood Control—Rivers and Harbors resumed its hearings on the omnibus flood control authorization bill, with testimony on proposed projects in Florida from Senator Holland; Thomas Adams, secretary of state of Florida; and C. V. O. Hughes, Arthur Bissett, and Raymond W Stuck, all representing the Property Owners League of Polk County, Bartow.

Testimony on funds for the New Melones project, California, was received from Robert Washburn, Oakdale Irrigation District; Harvey Hale and John Vrieling, both of the South San Joaquin Irrigation District; Philip Cavalero and Art Reitter, both of the Calaveras County Water District; Mrs. Margaret Sylva, Tuolumne County Water District No. 2; and Robert Fahey, Board of Supervisors of Stanislaus County, all of California.

Subcommittee will continue hearings on Wednesday, September 19.

House of Representatives

Chamber Action

Bills Introduced: 8 public bills, H.R. 13123–13130; 7 private bills, H.R. 13131–13137; and 16 resolutions, H.J. Res. 883 and 884, and H. Con. Res. 525–538, were introduced. Page 18339

Bills Reported: Reports were filed as follows:

H.R. 11949, repeal of provisions relating to duties of supervisors, enumerators, and other census employees (H. Rept. 2359);

H.R. 11950, to provide for the taking of the economic censuses 1 year earlier starting in 1968 (H. Rept. 2360);

S. 2795, prohibiting the use by private collecting or detective agencies of insignia, etc., tending to convey impression that such agency is one of the District of Columbia government, amended (H. Rept. 2361);

S. 2977, to amend the Life Insurance Act of the District of Columbia (H. Rept. 2362);

H.R. 12417, to amend the act of March 5, 1938, establishing a small claims and concilation branch in the municipal court for the District of Columbia (H. Rept. 2363);

H.R. 12690, to permit investment of funds of insurance companies within the District of Columbia in obligations of the Inter-American Development Bank (H. Rept. 2364);

S. 1651, to authorize the Commissioners of the District of Columbia to delegate the function of approving contracts not exceeding $100,000 (H. Rept. 2365); and

S. 2511, to provide for an increased program of captioned films for the deaf (H. Rept. 2366). Page 18339

Padre Island National Seashore: By a record vote of 256 yeas to 87 nays the House passed with an amendment S. 4, to provide for the establishment of the Padre Island National Seashore, and returned the bill to the Senate. Pages 18276–18277

Independent Offices Appropriations: Disagreed to Senate amendments to H.R. 12711, the independent offices appropriation bill for fiscal year 1963; agreed to a conference requested by the Senate; and appointed as conferees Representatives Thomas, Yates, Cannon, Ostertag, and Taber. Page 18277

U.N. Loan: By a voice vote the House adopted H. Res. 764, the open rule providing for the consideration of and 5 hours of debate on S. 2768, to promote the foreign policy of the United States by authorizing the purchase of United Nations bonds and the appropriation of funds therefore. After consuming all the time allocated for debate and reading the first section of the bill for amendment the House deferred further action on the bill to Friday. Pages 18278–18329

Late Reports: The Committees on Agriculture and Banking and Currency were granted permission to file reports on sundry bills by midnight Saturday. Page 18331

Quorum Call and Record Vote: During the proceedings of the House today one quorum call and one record vote developed and they appear on pages 18276–18277, 18302.

Program for Friday: Adjourned at 6:05 p.m. until Friday, September 14, at 11 o'clock a.m., when the House will further consider S. 2768, to promote the foreign policy of the United States by authorizing the purchase of United Nations bonds and the appropriation of funds therefor; also will act on the conference report on H.R. 11974, authorizing appropriations for the Atomic Energy Commission for fiscal year 1963.

Committee Meetings

RESERVES

Committee on Armed Services: Heard testimony from Robert S. McNamara, Secretary of Defense; and Gen. Lyman L. Lemnitzer, Chairman, Joint Chiefs of Staff, on H.J. Res. 876, the President's standby authority to call up the Reserves. Recessed until Friday, September 14.

HOUSING

Committee on Banking and Currency: Met in executive session and ordered reported favorably to the House the following bills:

H.R. 13044 (amended), to amend the Home Owners' Loan Act of 1933 and the Federal Home Loan Bank Act; and

H.R. 13067, to amend title VIII of the National Housing Act with respect to the authority of the Federal Housing Commissioner to pay certain real property taxes and to make payments in lieu of real property taxes.

Also held a discussion on S. 3154, to provide for the striking of medals in commemoration of the 100th anniversary of the admission of West Virginia into the Union as a State.

SMALL BUSINESS ACT

Committee on Banking and Currency: Subcommittee No. 2 continued hearings on H.R. 10518, and related bills, to amend the Small Business Act, to provide that the program under which Government contracts are set aside for small business concerns shall not apply in the case of contracts for maintenance, repair, or construction. Heard testimony from Representative Weaver. Hearings continue Friday, September 14.

Digest of CONGRESSIONAL PROCEEDINGS
OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For information only; should not be quoted or cited)

Issued Sept. 17, 1962
For actions of Sept. 14, 1962
87th-2d, No. 166

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HIGHLIGHTS: Conferees agreed to file report on agricultural appropriation bill Mon. Sept. 17. Senate committee reported foreign trade bill. Senate received President's budget amendment for public works acceleration funds. Sens. Humphrey and Mundt expressed concern over effects of rail strike on shipment of farm products in Midwest. House received conference report on independent offices appropriation bill. Rep. Hechler commended Under Secretary Murphy and inserted complimentary editorial. Rep. Bow discussed importance of Ohio Agricultural Research Station.

SENATE

1. FOREIGN TRADE. The Finance Committee reported with amendments H. R. 11970, the proposed Trade Expansion Act of 1962 (S. Rept. 2059)(p. D841). The "Daily Digest" states that in "addition to the previously announced amendments adopted by the committee, the following were approved":

"1. To permit the President when he finds it in the national interest to increase duties or impose other import restrictions as he may find necessary.

"2. To permit the President to impose duties or other import restrictions on products of countries maintaining such restrictions against U. S. agricultural produces.

"3. Printed amendment 8-29-62-I (to provide for the payment of trade adjustment allowances (unemployment compensation) for workers from Federal funds.)

"4. Adopted section 301, relating to escape clause, redrafted so as to provide that the injury need only result "in major part" of concessions granted and in addition to other criteria the Tariff Commission should take into consideration the inability of the firm to operate at a reasonably profitable level.

"5. To provide that the Interagency Trade Organization shall have as its members the heads of departments designated by the President, the Special Representative for Trade Negotiations and such other officers as he may designate; also, the Special Representative for Trade Negotiations to be Chairman of the Interagency Trade Organization.

"6. Three amendments recommended by the Tariff Commission as follows:

(a) Tariff Commission would not be required to automatically make an industrywide investigation if a firm files a petition of adjustment assistance.

(b) To require the Tariff Commission to make its findings in escape clause cases within 6 months from the date of application instead of a maximum of about 5 months as provided in bill.

(c) To allow 60 days to elapse after enactment of the bill for the Tariff Commission to formulate rules and regulations for operation under the trade adjustment provisions of the act.

"7. To extend from 4 to 5 years time for reserving articles covered by escape clause determinations of injury--section 225(b) and section 351(c)(1)(B).

"8. Adding new section which gives the President discretionary authority to enter into orderly marketing agreements with foreign countries limiting the export of certain articles to the U.S., where such agreements offer an appropriate device to prevent or remedy serious injury to domestic industries producing such articles."

2. PUBLIC WORKS APPROPRIATIONS. Received from the President an amendment to the budget for fiscal year 1963 "involving an increase in the amount of $900 million for public works acceleration" (S. Doc. 129); to Appropriations Committee. p. 18415

3. FARM PROGRAM; TRANSPORTATION. Sens. Humphrey and Mundt expressed concern over the effects of Chicago and North Western Railroad strike on the shipment of farm commodities in the Midwest. Sen. Mundt urged the enactment of legislatio if necessary, to end the strike. Sen. Humphrey urged that the President intervene if the Labor Department is not successful in ending the strike. p. 18430

4. MILITARY CONSTRUCTION APPROPRIATION BILL, 1963. Agreed to the conference report on this bill, H. R. 12870, and acted on amendments in disagreement. This bill will now be sent to the President. pp. 18420-3

5. LANDS; WILDLIFE. Began debate on S. 2138, to provide that a greater percentage of the income from lands administered by the Fish and Wildlife Service be returned to the counties in which such lands are situated. pp. 18430-5, 18436

6. COTTON; ESTES. Agreed to S. Con. Res. 91, authorizing the printing of additional copies of the hearings "on Department of Agriculture handling of pooled cotton allotments of Billie Sol Estes." p. 18420

7. HOUSING. Agreed to S. Res. 382, authorizing the printing of additional copies of the committee print, "Housing for the Elderly." p. 18420

8. ECONOMICS. Agreed to S. Con Res. 90, authorizing the printing of additional hearings, "State of the Economy and Policies for Full Employment." p. 18420

Calendar No. 2025

87TH CONGRESS
2d Session

SENATE

REPORT
No. 2059

TRADE EXPANSION ACT OF 1962

SEPTEMBER 14, 1962.—Ordered to be printed
Filed under authority of the order of the Senate of September 14, 1962

Mr. BYRD, from the Committee on Finance, submitted the following

REPORT

together with

INDIVIDUAL VIEWS

[To accompany H.R. 11970]

The Committee on Finance, to whom was referred the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes, having considered the same report favorably thereon with amendments and recommend that the bill as amended do pass.

PURPOSES

The general purposes of H.R. 11970 are—

1. To extend the authority of the President to enter into foreign trade agreements for 5 years from July 1, 1962, through June 30, 1967;
2. To authorize the President to proclaim modifications in or the continuance of existing duties or other import restrictions or such additional import restrictions as he determines to be required or appropriate to carry out such trade agreements;
3. To authorize adjustment assistance to industries, firms, and groups of workers who may be seriously injured or threatened with serious injury by increased imports resulting from concessions granted in trade agreements.

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The explicit purposes of the act are, through agreements affording mutual trade benefits, to stimulate the economic growth of the United States and strengthen economic relations with foreign countries through the development of nondiscriminatory trading in the free world.

COMMITTEE AMENDMENTS

The Finance Committee adopted the following amendments to H.R. 11970:

1. The committee agreed to the statement of purposes stipulated in paragraphs (1) to stimulate the economic growth of the United States and maintain and enlarge foreign markets for the products of U.S. agriculture, industry, mining, and commerce, and (2) to strengthen economic relations with foreign countries through the development of open and nondiscriminatory trade in the free world. It was the opinion of the committee that these two statements of purposes were adequate to accomplish the latter two objectives, thereby making it unnecessary to stipulate them in the statement of purposes. There are a number of Federal programs already in operation for the specific purpose of assisting underdeveloped countries and others with the primary objective the prevention of Communist penetration. The use of the import-export program of the United States in conjunction with the trade agreement program will undoubtedly assist in the progress of countries in the earlier stages of economic development and help prevent Communist economic penetration. For these reasons the committee deleted paragraphs 3 and 4 of the statement of purposes in the bill. Such deletion would not, of course, affect such provisions as sections 213 and 231 of the bill.

2. The committee made no change in the provisions of the bill granting the President authority to reduce or eliminate duties. It also left intact the authority to negotiate increases in duties to 50 percent above the rates existing on July 1, 1934. However, the committee adopted an amendment providing that the President may when he finds it in the national interest (*a*) proclaim the increase of any existing duty to such rate as he finds necessary; (*b*) impose a duty on commodities not otherwise subject to duty at such rate as he finds necessary and (*c*) impose such other import restrictions as he finds necessary.

This additional authority granted to the President is, as stated, based on the national interest and is intended to give the President broad powers to meet any trends toward unreasonable foreign restrictions on U.S. exports or exports from third countries which must otherwise find a market in the United States. This provision strengthens the President's hand in any negotiations or representations to foreign governments when any unreasonable restrictions on U.S. trade are being imposed abroad.

3. In conjunction with the preceding amendment the committee added a new subsection (c) to section 252 of the bill which would also enlarge the authority of the President.

Subsections (a) and (b) of section 252 of the bill together authorize action against burdensome foreign import restrictions. They do not, however, authorize action against foreign import restrictions which, though they may be legally justifiable, impose a substantial burden

upon U.S. commerce. The amendment provides that whenever a country which has received benefits under a trade agreement with the United States maintains unreasonable import restrictions which burden U.S. commerce either directly or indirectly, the President may withdraw existing trade agreement benefits or refrain from proclaiming any negotiated trade agreement concessions on such products. Under this subsection the President may act only to the extent consistent with the purposes of the act and in exercising this authority he must take into consideration the international obligations of the United States. Thus, the amendment would not authorize any indiscriminate breach of international obligations of the United States such as our most favored nation treaties with regard to the products of other countries.

It is anticipated that the authority of the new subsection (c) of section 252 will prove useful in direct negotiations with other countries as a means of persuading them to reduce unreasonably high import restrictions prior to the bargaining process or as the means for inducing that country to end its discriminatory treatment of goods from third countries, or to induce a third country benefiting indirectly from U.S. concessions to grant the U.S. concessions in return for such indirect benefits.

4. The committee also adopted an amendment providing that the President may impose duties or other import restrictions on the products of any country or instrumentality establishing or maintaining burdensome restrictions against U.S. agricultural products. He may apply these restrictions to the extent and for such time as he deems such duties or other restrictions are necessary to prevent the establishment or obtain the removal of such foreign import restrictions and to provide access for U.S. agricultural products on an equitable basis.

5. The committee amended the House bill by revising the language of section 221 (b), (c), and (d) to give in more detail the factors to be taken into account by the Tariff Commission in its prenegotiation study of the commodities on the lists submitted by the President for negotiation.

The House-passed bill stated that the Tariff Commission should advise the President—

> with respect to each article of its judgment as to the probable economic effect of modifications of duties or other import restrictions on industries producing like or directly competitive articles.

The bill as amended in the Finance Committee specifies certain criteria that must be considered by the Tariff Commission in its study. In preparing its advice to the President the Tariff Commission shall, to the extent practicable—

> (1) Investigate conditions, causes, and effects relating to competition between the foreign industries producing the articles in question and the domestic industries producing the like or directly competitive articles;
>
> (2) Analyze the production, trade, and consumption of each like or directly competitive article, taking into consideration employment, profit levels, and use of productive facilities with respect to the domestic industries concerned,

and such other economic factors in such industries as it considers relevant, including prices, wages, sales, inventories, patterns of demand, capital investment, obsolescence of equipment, and diversification of production;

(3) Describe the probable nature and extent of any significant change in employment, profit levels, use of productive facilities, and such other conditions as it deems relevant in the domestic industries concerned which it believes such modifications would cause; and

(4) Make special studies, whenever deemed to be warranted, of particular proposed modifications affecting U.S. industry, agriculture, and labor.

6. The committee deleted section 231 of the bill relating to products of Communist countries or areas and reinstated the substance of the language of the present act. Under the language in the present act, the President has granted most-favored-nation treatment to products of Yugoslavia and Poland. The bill as passed by the House would have prevented the extension of most-favored-nation treatment to products of these countries. The amendment, however, would prevent the application of any reduction in rates of duty or the binding of any present rates to imports from the Union of Soviet Socialist Republics, Communist China, and any country or area dominated or controlled by the foreign government or foreign organization controlling the world Communist movement. As in the case of existing law, the amendment would permit most-favored-nation treatment to be granted to products of any country which appears to be achieving a substantial degree of independence from the foreign government or foreign organization controlling the world Communist movement. It is to be noted that Cuba has already been denied most-favored-nation treatment pursuant to section 401(a) of the Tariff Classification Act of 1962.

7. An amendment was approved which substituted in the provisions of the bill relating to the European Economic Community the term "Free European Trading Community." The term "Free European Trading Community" means the European Economic Community and any country designated by the President which is a member of the European Free Trade Association. The effect of this amendment would be to permit the application of section 211 of the bill to the European Economic Community plus any other country or countries belonging to the European Free Trade Association whether or not they were members of the European Economic Community.

Section 211 of the bill provides that the President may exceed the basic authority to reduce duties by 50 percent in the case of categories of commodities with respect to which the United States and the European Economic Community together account for 80 percent or more of the aggregated world export value of all the articles in the category.

The authority of the President under this section would be very limited if the European Economic Community remains as presently constituted. It has been anticipated that the United Kingdom would join the European Economic Community and it is possible that other countries may later join that organization. The amendment assures that the President will have the broad authority originally contemplated whatever the outcome of the current negotiations between the United Kingdom and the Common Market.

8. Sections 241(a) and 242(a) were amended to provide that the Special Representative for Trade Negotiations shall be Chairman of the Inter-Agency Trade Organization. The bill as it passed the House designated a Cabinet officer selected by the President as Chairman. Under the amendment the Special Representative for Trade Negotiations authorized by section 241 of the bill would have direct responsibility for the trade agreements program both in its formative stage and during actual negotiations. It was the purpose of the committee to provide that the interests of agriculture, industry, labor, and American consumers should be adequately represented in the Inter-Agency Trade Organization. The committee felt that the Chairman, if he was chosen from one of the departments, would represent more the views of that department than the overall broader perspective represented by the Special Representative.

9. Section 301 of the bill was amended to clarify and make more specific the application of the escape clause. The language of the bill as passed by the House (sec. 301(b)(1)) provided that the Tariff Commission—

> shall promptly make an investigation to determine whether, as a result of concessions granted under trade agreements, an article is being imported into the United States in such increased quantities as to cause, or threaten to cause, serious injury to the domestic industry.

The amended language provides that the Tariff Commission investigation shall be made to determine whether "as a result in major part of concessions granted under trade agreements" the article is being imported in such quantities as to cause or threaten serious injury to the domestic industry.

Paragraph (b)(2) provides that "in making its determination under paragraph (1) the Tariff Commission shall take into account all economic factors which it considers relevant including idling of production facilities, inability to operate at a profit and unemployment or underemployment." The phrase "inability to operate at a profit" was broadened to read "inability to operate at a reasonable profit level."

The above changes were incorporated wherever applicable in section 301. The bill as it came to the committee might have made it difficult for industries which felt that they had been injured to prove their case under the escape clause. The language of the bill could have been interpreted to mean that the increased imports as a result of concessions were the sole cause of the injury. While this may not have been the intent of the bill, the amendment makes it clear that the Tariff Commission need find only that the tariff concessions have been the major cause of increased imports and that such imports have been the major cause of the injury.

10. Section 225(b) of the House bill reserved certain articles which have been the subject of escape clause action from being the subject of further tariff cuts in negotiations under the bill for a period of 4 years. The bill was amended to extend this reserve period to 5 years. Sections 351 (c) and (d) are similarly amended to provide that the duration of escape clause actions under existing law and under the new law will be 5 years.

11. A new section 352 was added to the bill giving the President discretionary authority to enter into orderly marketing agreements with foreign countries, limiting the export of certain articles to the United States where such agreements offer an appropriate device to prevent or remedy serious injury to domestic industries found to be injured under the escape clause procedure. The addition of this new section makes it possible for the President to enter into agreements with foreign countries in order to prevent increased imports from injuring domestic industries. Marketing agreements may give domestic manufacturers an opportunity to adjust to changing competitive conditions and may contribute to healthy competition between domestic and foreign manufacturers. This is particularly true when industries concerned have relatively low capital investment, high labor input, and manufacturing techniques which are easily transferred and labor skills which are easily acquired, and in which there is a tendency to overproduction for the world market. In such industries rapid expansion is possible and these industries are frequently characterized by substantial wage differentials as between countries.

International agreements have been made, under section 204 of the Agriculture Act of 1956, as amended, involving certain agricultural commodities and other raw materials. The amendment would broaden this authority, within the context of the trade agreement legislation, to include other products.

12. Three amendments recommended by the Tarriff Commission to improve the operation of the escape clause and other adjustment assistance provisions were adopted by the committee. These amendments would—

(*a*) Eliminate the requirement that the Tariff Commission make an industry investigation under the escape clause procedure where petitions are filed for adjustment assistance to firms or workers. The time-consuming and difficult study on an industry-wide basis can be avoided and the process facilitated considerably to the great advantage of those filing the petition and of the Tariff Commission in limiting the amount of work it must do.

(*b*) Require the Tariff Commission to make its report in escape clause cases within 6 months. The bill as it passed the House would require the Tariff Commission to complete its investigation within 120 days after the date on which the petitition is filed unless the President extends such time for an additional period not to exceed 30 days. The amendment restores the 6-month time limit of existing law.

(*c*) Allow 60 days to elapse after the enactment of the bill before petitions for adjustment assistance under the bill may be filed with the Tariff Commission. The broad changes in present methods of operation will require considerable study. The amendment would allow 60 days for the Tariff Commission to formulate its rules and regulations relating to its functions under the trade adjustment provisions of the act. It was pointed out to the committee that the alternative to this amendment would be for the Tariff Commission to begin operations under its present rules and regulations which are completely inadequate for operation under the Trade Expansion Act of 1962. It is not likely that the provision for this 60-day moratorium will result in any hardships

to American industries, firms, or workers. Escape clause investigations pending before the Commission would not be terminated, but would be continued and completed under the pertinent provisions of the bill.

The committee amended section 323(g) of the bill in order to provide that trade readjustment allowances (TRA), instead of being supplementary to State unemployment insurance, would replace such insurance. The amendment would provide for the payment of TRA for workers entirely out of Federal funds. To the extent that a worker who is entitled to TRA for a week of unemployment is paid State unemployment insurance for the same week, the State agency will be reimbursed the amount of State unemployment insurance it has paid the worker, but not more than the amount of TRA the worker could have received.

A State, having been reimbursed, would be authorized to disregard any payments and the periods of unemployment for which they were made in determining the employer's rate of contribution under the experience rating provisions of the State law, if the State law provides that the worker's rights to unemployment insurance for which reimbursement was made are reinstated to him. The language of the amendment assures that after termination of the period of eligibility for TRA the worker cannot claim, for a period of unemployment within that period of eligibility, State unemployment insurance.

The effect of this amendment is to separate the benefits under the State programs from the trade readjustment allowances under the Federal program. In instances in which the State program has been drawn upon but a worker applying for a Federal benefit is demonstrated to have been eligible for the Federal payment, the State will be reimbursed and the situation returned to that which would have existed had the Federal rather than the State program been drawn upon initially.

PRINCIPAL FEATURES OF THE BILL AS REPORTED

1. AUTHORITY OF THE PRESIDENT TO MAKE NEW AGREEMENTS

The bill would authorize the President to enter into foreign trade agreements for 5 years, from July 1, 1962, to June 30, 1967.

2. PRESIDENTIAL AUTHORITY TO REDUCE, REMOVE, BIND, OR RAISE IMPORT RESTRICTIONS

(*a*) *Basic authority* (*sec. 201*(*b*))

The President is authorized to reduce duties by 50 percent of the level existing on July 1, 1962, and to increase duties to 50 percent over the July 1, 1934, level. The President may also impose quotas or other import restrictions.

(*b*) *Authority to exceed the basic authority in certain cases*

The President is authorized to reduce by more than 50 percent or to remove duties on articles within categories when he has determined that the United States and the countries composing the "Free European Trading Community" together account for 80 percent of the free world trade in such categories of articles in a representative period. The "Free European Trading Community" includes the European Economic Community (commonly known as the Common

Market) and any member or members of the European Free Trade Association (EFTA) designated by the President. This would permit the President to apply section 211 of the bill to the Common Market plus any other country, or countries, belonging to the European Free Trade Association whether or not they were considering entrance into the Common Market.

The President is authorized to reduce by more than 50 percent or to remove, duties on agricultural materials and articles referred to in Agricultural Handbook No. 143, U.S. Department of Agriculture, as issued in September 1959, whenever the President determines that such an agreement will tend to assure the maintenance or expansion of U.S. exports of like articles. This reduction below the 50 percent basic authority may be made by the President only in an agreement with the Free European Trading Community.

The President is also authorized to reduce by more than 50 percent or to remove duties on tropical agricultural or forestry commodities whenever he determines that like commodities are not produced in significant quantities in the United States. This authority is also conditioned on a Presidential determination that the EEC and any FETC country have made commitments with respect to its duties or other import restrictions which will tend to assure access for such a tropical agricultural or forestry commodity to its markets comparable to the access which such commodity would have to the U.S. market.

The President would also be authorized to reduce or remove entirely all duties which were 5 percent or less on July 1, 1962. This would include articles which were reduced to 5 percent or less in the 1961–62 negotiations.

(c) Presidential authority to further increase duties

The committee added a new section to the bill (sec. 353) to authorize the President, when he finds it in the national interest, to proclaim the increase of any existing duty to such rate as he finds necessary, to impose duties on items not otherwise subject to duty and to impose quotas or other such import restrictions as he finds necessary.

Section 252 of the bill was also amended to authorize the President to withdraw existing trade agreement benefits or to refrain from proclaiming any negotiated trade agreement concessions to countries which maintain unreasonable import restrictions which burden U.S. commerce directly or indirectly.

The committee also amended section 252(a) to provide that the President may impose duties or other import restrictions on the products of any country establishing or maintaining burdensome restrictions against U.S. agricultural products.

(d) Limitations on use of Presidential authority

The President would be required in certain circumstances to reserve from negotiations for further tariff cuts any articles with respect to which there were outstanding proclamations under the national security or escape-clause provisions of existing law or of the bill and any articles with respect to which the Tariff Commission found under existing law by majority vote that imports of such article were seriously injuring or threatening serious injury to the domestic industry concerned. The latter articles will be reserved for a 5-year period which begins on the date of enactment of this bill where the President

includes any such articles on a proposed negotiating list and the Tariff Commission finds and advises him that the economic conditions in the industry have not substantially improved since the date of the last Tariff Commission escape-clause investigation.

The bill retains the national security provisions of the present act governing the authority of the President to take action to adjust the level of imports when he finds they threaten to impair the national security.

The bill requires, in general, that tariff reductions shall be made in no less than five annual stages, except in the case of the exercise of the tropical commodity authority (sec. 2).

The bill continues in force the present embargo on certain furs and skins which are the product of the U.S.S.R. or Communist China (sec. 257(e)(1)).

3. PREAGREEMENT PROCEDURES

(*a*) *Tariff Commission Procedures* (*sec. 221*)

The bill requires the Tariff Commission to advise the President with respect to the probable economic effect of any proposed trade agreement action with respect to any article. The President is required to furnish the Tariff Commission with a list of articles which he contemplates negotiating upon, and the Commission is required, within 6 months thereafter, to give him this advice. The bill spells out certain criteria, not excluding others, for the Tariff Commission to follow. Hearings must be held where interested persons can present their views.

(*b*) *Other hearings*

The President is required to afford interested persons an opportunity to present their views on matters pertinent to a trade agreement negotiation to an agency or interagency committee which he designates. Such committee is required to hold public hearings. It is anticipated that these hearings would center about the negotiating list as well as concessions which it is suggested the United States seek from foreign countries.

4. GENERAL PROVISIONS RELATING TO TRADE AGREEMENTS

(*a*) *Special representative* (*sec. 241*)

The President is to appoint a Special Representative for Trade Negotiations who would be the chief representative of the United States at any principal negotiations conducted under the bill. He would have the rank of Ambassador Extraordinary and Plenipotentiary and be Chairman of the Interagency Trade Organization.

(*b*) *Interagency Trade Organization* (*sec. 242*)

The President is required to establish an interagency organization composed of the Special Representative, and such heads of departments and other officers as may be chosen by the President. This organization would advise the President on trade matters, including tariff adjustment for seriously injured industries and on action regarding foreign import restrictions.

(c) *Congressional delegates (sec. 243)*

Two Members of the Senate and two Members of the House of Representatives are to be accredited to U.S. trade agreement delegations.

(d) *Reports to Congress (secs. 226 and 402)*

The President is required to transmit to each House of Congress a copy of each trade agreement entered into under the authority of the Trade Expansion Act of 1962 with a statement of his reasons for entering into such agreement. The President and the Tariff Commission are to submit annual reports to the Congress on the programs under the act.

(e) *Most-favored-nation principle (secs. 231 and 251)*

The benefits on tariff concessions granted in trade agreements are to be extended to the products of all countries except the U.S.S.R., Communist China, and any nation or area dominated or controlled by the foreign government or foreign organization controlling the world Communist movement.

(f) *Foreign import restrictions (sec. 252)*

The bill requires the President to take all appropriate and feasible steps in his power to eliminate foreign import restrictions which impair the value of tariff commitments made to the United States, unjustifiably oppress the commerce of the United States, or prevent the expansion of trade. The bill does not permit the President to give concessions on U.S. duties to accomplish this end.

The President is, to the extent that such action is consistent with the purposes of the bill, to prevent the application of trade agreement benefits to products of countries which maintain unwarranted nontariff trade restrictions against the United States or which engage in discriminatory acts or policies which unjustifiably restrict U.S. commerce.

5. THE ESCAPE CLAUSE AND ADJUSTMENT ASSISTANCE

(a) *Petitions for assistance (sec. 301)*

Any firm, group of workers, or industry seeking tariff adjustment or other adjustment assistance may petition the Tariff Commission.

(b) *Tariff Commission investigations*

Upon receipt of an industry petition for tariff adjustment the Tariff Commission is required to promptly make an investigation to determine whether, as a result in major part of concessions granted on an article in trade agreements, that article is being imported into the United States in such increased quantities as to cause or threaten serious injury to the domestic industry concerned. The Commission is to take into account all economic factors which it considers relevant, including idling of productive facilities, inability to operate at a level of reasonable profit, and unemployment or underemployment. The Commission must complete the industry investigation within 6 months.

The language in the bill which modifies present law, as it relates to the criteria for determining injury in an escape clause proceeding before the Tariff Commission, is to make perfectly clear that all relevant

economic factors shall be considered. In this respect the criteria for determining injury does not differ from present law.

Reports of determinations as to the basic eligibility of a firm or a group of workers to apply for adjustment assistance of a nontariff nature must be made within 60 days from the receipt of any petition. The Commission is not required to make a full-scale, industrywide investigation in the case of petitions from individual firms or workers seeking nontariff adjustment assistance.

The Commission must report the results of its investigations to the President. In an industry investigation, should the Commission find serious injury, it is required to make a finding as to the amount of tariff adjustment which is necessary to prevent or remedy such injury.

No industry can be given tariff adjustment, nor may any firm or group of workers be given adjustment assistance, unless there is a finding that the conditions in such industry or firm or the unemployment of the workers have been, in major part, caused by increased imports resulting in major part from trade agreement concessions.

For purposes of the bill, the term "industry," in the case of any industry investigation, will include the operations of those establishments in which the domestic article in question (i.e., the article which is "like," or "directly competitive with," the imported article, as the case may be) is produced. Where a corporate entity has several establishments (e.g., divisions or plants) in some of which the domestic article in question is not produced, the establishments in which the domestic article is not produced would not be included in the industry. The concern of the Tariff Commission would be with the question of serious injury to the productive resources (e.g., employees, physical facilities, and capital) employed in the establishments in which the article in question is produced. In the case of multiproduct establishments in which productive resources are devoted to producing products A, B, C, and D, of which only product A is suffering from import competition, it is not necessary that the Commission find that the resources engaged in the production of any one or more of the other products have been injured.

(*c*) *Presidential action* (*sec. 351 and sec. 302*)

After receiving a report from the Tariff Commission containing an affirmative finding with respect to an industry, the President is authorized to adjust the tariff to a level not in excess of 50 percent above the July 1, 1934, rate of duty, or to impose additional import restrictions such as quotas, or both. Alternatively, the President may seek and negotiate an orderly marketing agreement under section 352. The President may also permit the workers and firms in such industry to be certified to be eligible to apply for adjustment assistance.

If the President takes tariff action it is to be reviewed periodically by the President and such action as has been taken may be reduced or terminated or extended by the President after he receives advice from the Tariff Commission.

(*d*) *Congressional action* (*sec. 351*(*a*)(*2*))

In cases where the President does not take the action found by the Tariff Commission to be necessary to prevent or remedy serious injury, the bill requires Presidential implementation of a Tariff Com-

mission finding in an escape-clause case upon the adoption by the Congress, by a majority of the authorized membership of each House, of a resolution approving the action found by the Commission to be necessary.

(*e*) *Assistance to firms* (*secs. 311–320*)

Any firm which is certified to be eligible for adjustment assistance may file an application with the Secretary of Commerce. Such assistance to firms is premised upon the certification of a sound economic adjustment proposal reflecting efforts toward self-help and consideration of the interests of the firm's workers.

Adjustment assistance to firms may be given in the form of technical assistance, loans, or permission to carry back a net operating loss for tax purposes to 5 years rather than the normal 3 years.

(*f*) *Assistance to workers* (*secs. 321–337*)

Adversely affected workers would be eligible to receive adjustment assistance in the form of weekly allowances, retraining, and in certain cases, relocation allowances. Allowances will be payable only to workers who have been employed substantially over the previous 3 years, who have been attached for at least 6 months in the last year to a firm or firms, or subdivisions thereof, found to be affected by imports, and who have become unemployed because of lack of work due in major part to the effect of increased imports on such a firm after the enactment of this bill.

The trade adjustment allowance will be 65 percent of the worker's average weekly wage, subject to a limitation of 65 percent of the national average manufacturing wage. These allowances are to be received for a duration of no more than 52 weeks, with two exceptions, one to assist in completing retraining and one for workers over 60. Allowances may not be paid to workers who refuse, without good cause, to take retraining.

(*g*) *Reimbursement of States for adjustment assistance* (*sec. 323*)

The bill provides that trade readjustment allowances would replace State unemployment insurance. It provides for the payment of these allowances entirely out of Federal funds. To the extent that a worker who is entitled to such allowances for a week of unemployment is paid State unemployment insurance for the same week, the State agency will be reimbursed the amount of State unemployment insurance it has paid the worker.

The benefits under the State programs are separated from the trade readjustment allowances under the Federal program.

Technical Explanation of Provisions Amended by Senate Finance Committee

TITLE I—SHORT TITLE AND PURPOSES

Section 102. Statement of purposes

Section 102 of the bill provides that the purposes of the bill, and the authorities therein, are, through trade agreements affording mutual trade benefits to the United States and the other parties to such agreements, (1) to stimulate the economic growth of the United States and maintain and enlarge foreign markets for the products of U.S.

agriculture, industry, mining, and commerce; and (2) to strengthen economic relations with foreign countries through the development of open and nondiscriminatory trading in the free world. Such agreements could provide for tariff reductions on an article-by-article or other basis which the President found promoted the purposes of the bill.

CHAPTER 2—SPECIAL PROVISIONS CONCERNING FREE EUROPEAN TRADING COMMUNITY

Section 211. In general

Under section 211(a), in the case of any trade agreement which includes the United States and the countries of the Free European Trading Community (hereinafter in this explanation referred to as "FETC") as parties to the agreement, the limitation contained in section 201(b)(1) is not to apply to any article which is in a category with respect to which the President determines that the United States and all countries of the FETC together account for 80 percent or more of the aggregated world export value of all of the articles within the category. The determination by the President with respect to a category is required to be made before he enters into the trade agreement.

Paragraph (1) of section 211(c) provides that, for purposes of making a determination under section 211(a) with respect to any category of articles, the determination of the countries which are members of the Free European Trading Community is to be made as of the date of the President's request for advice from the Tariff Commission under section 211(d). Paragraph (2) of section 211(c) provides that aggregated world export value with respect to any category is to be computed (*a*) on the basis of a representative period in the most recent 5-year period for which statistics are available and which contains at least two periods which need not be consecutive, but each of which must contain at least 12 continuous months; (*b*) on the basis of the dollar value of exports as shown by trade statistics in use by the Department of Commerce; and (*c*) by excluding exports from any country of the FETC to another FETC country and exports to or from any country or area which, at any time during the representative period for such category, was denied the benefits of trade agreement concessions under section 5 of the Trade Agreements Extension Act of 1951, under section 231 of the bill, or under section 401(a) of the Tariff Classification Act of 1962 (which relates to Cuba). In the case of any trade agreement, the representative period must be the same for all articles within the category, but there may be different periods for different categories.

Section 211(d) states that, before the President makes a determination under section 211(a) as to any category, the Tariff Commission, upon his request, is to make and advise him of its findings as to—

(1) The representative period for such category;

(2) The aggregated world export value of the articles falling within such category; and

(3) The percentage of the aggregated world export value of such articles accounted for by the United States and the countries of the FETC.

Section 212. Agricultural commodities

Section 212 provides that in the case of any trade agreement which includes the United States and the countries of the FETC as parties,

the 50-percent limitation contained in section 201(b)(1) is not to apply to any article referred to in Agricultural Handbook No. 143, U.S. Department of Agriculture, as issued in September 1959, if (before he enters into such agreement) the President determines that such agreement will tend to assure the maintenance or expansion of U.S. exports of the like article. For this purpose, the fact that certain articles, which are referred to in such handbook, may not be classified as agricultural commodities under existing coding practices of certain governmental agencies is not to change the status of such articles as ones to which section 212 may apply.

Section 213. Tropical agricultural and forestry commodities

Section 213(a) provides that the 50-percent limitation contained in section 201(b)(1) is not to apply to any article which the President determines to be a tropical agricultural or forestry commodity, if he determines that two additional conditions are met. First, the President must determine that the like article is not produced in significant quantities in the United States. Second, the President must determine that the EEC and any non-EEC country within the FETC have made commitments with respect to duties or other import restrictions which are likely to assure access for such article to the markets of the FETC which (1) is comparable to the access which such article will have to U.S. markets, and (2) will be afforded substantially without differential treatment as among free world countries of origin.

CHAPTER 3—REQUIREMENTS CONCERNING NEGOTIATIONS

Section 221. Tariff Commission advice

Section 221(b) requires the Tariff Commission, within 6 months of receipt of the list of articles which may be considered for tariff treatment, to advise the President of its judgment as to the probable economic effect of modifications of duties or other import restrictions on industries producing like or directly competitive articles, so as to assist the President in making an informed judgment as to the impact that might be caused by such modifications on U.S. industry, agriculture, and labor. It is intended that, as under present procedures, the Tariff Commission reports to the President under section 221(b) would not be made public.

Section 221(c) contemplates that in preparing its advice to the President, the Tariff Commission shall, to the extent practicable, perform four functions. First, it shall investigate conditions, causes, and effects relating to competition between the foreign industries producing the articles in question and the domestic industries producing the like or directly competitive articles. Second, it shall analyze the production, trade, and consumption of each like or directly competitive article, taking into consideration employment, profit levels, and use of productive facilities with respect to the domestic industries concerned, and such other economic factors in such industries as it considers relevant, including prices, wages, sales, inventories, patterns of demand, capital investment, obsolescence of equipment, and diversification of production. Third, it shall describe the probable nature and extent of any significant change in employment, profit levels, use of productive facilities, and such other conditions as it deems relevant in the domestic industries concerned which

it believes such modifications would cause. Fourth, it shall make special studies, whenever deemed to be warranted, of particular proposed modifications affecting U.S. industry, agriculture, and labor.

Section 221(d) provides that the Tariff Commission is to hold public hearings in the course of preparing such advice.

Section 225. Reservation of articles from negotiations

Section 225(a) requires the President to reserve from negotiations under title II of the bill for the reduction of any duty or other import restriction or the elimination of any duty, any article as to which there is in effect, at the time of such negotiations, any Presidential action taken under section 232 (safeguarding national security) or its predecessor (sec. 2 of the Trade Agreements Act approved July 1, 1954), under section 351 (tariff adjustment) or its predecessor (the escape-clause procedure provided for in sec. 7 of the Trade Agreements Extension Act of 1951), or under section 352 (orderly marketing agreements).

Section 225(b) imposes a requirement on the President with respect to the reservation of articles from negotiation which is separate from and additional to the reservation requirement of section 225(a)(3). It requires him to reserve from negotiation, during the 5-year period beginning on the date of the enactment of the bill, any article which, by a majority of the members voting in an escape-clause proceeding under existing law, the Tariff Commission found was being imported in such increased quantities as to cause or threaten serious injury to a domestic industry. However, such reservation is mandatory only upon the request of the industry concerned made within 60 days of the publication of a list under section 221 containing the article, and only if the Tariff Commission then finds and advises the President that economic conditions in the industry have not substantially improved since the date of the Tariff Commission's report of its finding of injury to the industry. An industry may not make a request under section 225(b) if it failed to make such a request the first time such article was included in a list published under section 221.

CHAPTER 4—NATIONAL SECURITY

Section 231. Products of Communist countries or areas

Section 231 provides that, as an exception to the most-favored-nation principle, the President shall, as soon as practicable, refrain from applying any reduction, elimination, or continuance of any existing duty or other import restriction, or the continuance of any existing duty-free or excise treatment, proclaimed in carrying out any trade agreement under title II of the bill or under section 350 of the Tariff Act of 1930 to products, whether imported directly or indirectly, of the Soviet Union, Communist China, and any other country or area dominated or controlled by the foreign government or foreign organization controlling the world Communist movement. It is contemplated that this provision will permit the President, if he so determines, to continue most-favored-nation treatment to Yugoslavia and Poland.

CHAPTER 5—ADMINISTRATIVE PROVISIONS

Section 241. Special Representative for Trade Negotiations

Section 241(a) requires the President to appoint, by and with the advice and consent of the Senate, a Special Representative for Trade Negotiations, who is to be the chief representative of the United States for each general multilateral negotiation of a trade agreement under title II of the bill. By "general multilateral negotiation" is meant a negotiation among the United States and other countries where tariff concessions are proposed to be exchanged among various participants in the negotiation. He also is to be the chief representative for such other negotiations as in the President's judgment require that the Special Representative be the chief representative of the United States. In addition, he is to be the Chairman of the Interagency Trade Organization provided for in section 242(a). The Special Representative is to hold office at the pleasure of the President, receive the same compensation and allowances as a chief of mission, and have the rank of ambassador extraordinary and plenipotentiary.

Section 242. Interagency trade organization

Section 242(a) requires the President to establish an interagency organization which shall have as its members, in addition to the Special Representative for Trade Negotiations made Chairman by section 241(a), such Cabinet Officers and such other officers as the President shall designate. The organization is to meet whenever the Chairman or the President directs, and may where appropriate invite the participation in its activities of any agency not otherwise represented on the organizations.

Section 242(b) provides that the interagency trade organization established pursuant to section 242(a) will make recommendations to the President on basic policy issues concerning the trade agreements program, make recommendations to him concerning action, if any, to be taken under section 351 (relating to tariff adjustment) or section 352 (relating to orderly marketing agreements), advise the President of the results of hearings concerning foreign import restrictions held pursuant to section 252(d) and recommend appropriate action with respect thereto, and perform other trade agreement functions which the President may designate.

CHAPTER 6—GENERAL PROVISIONS

Section 251. Most-favored nation principle

Section 251 provides that, except as otherwise provided in title II of the bill, in section 350(b) of the Tariff Act of 1930, or in section 401(a) of the Tariff Classification Act of 1962, any duty or other import restriction or duty-free treatment proclaimed in carrying out any trade agreement under title II or under section 350 of the Tariff Act of 1930 shall apply to products of all foreign countries, whether imported directly or indirectly. The references in the "except" clause make clear, first, that import restrictions imposed under sections 231, 232(b), and 252 of title II need not apply to products of all countries, second, that preferential concessions negotiated on Cuban products under section 350 of the Tariff Act of 1930 do not apply to products of other countries, and, third, that trade agreement

concessions to other countries do not apply to Cuban products so long as they are denied most-favored-nation treatment under the Tariff Classification Act of 1962.

Section 252. Foreign import restrictions

Section 252(a) provides that whenever foreign import restrictions impair the value of tariff commitments made to the United States, unjustifiably oppress the commerce of the United States, or prevent the expansion of trade on a mutually advantageous basis, the President is to (1) take all appropriate and feasible steps within his power to eliminate such restrictions, (2) refrain from negotiating the reduction or elimination of any U.S. import restriction under section 201(a) in order to obtain the reduction or elimination of any such restrictions, and (3) notwithstanding any other provision of law or any provision of any trade agreement, impose duties or other import restrictions on the products of any foreign country or instrumentality establishing or maintaining such foreign import restrictions against U.S. agricultural products, to the extent he deems such duties and other import restrictions necessary to prevent the establishment or obtain the removal of such foreign import restrictions and to provide access for U.S. agricultural products to the markets of such country or instrumentality on an equitable basis.

Section 252(b) provides that whenever a foreign country or instrumentality, the products of which receive benefits of trade agreement concessions made by the United States, maintains nontariff trade restrictions (including variable import fees) which substantially burden U.S. commerce in a manner which is inconsistent with the provisions of trade agreements or engages in discriminatory or other acts (including tolerance of international cartels) or policies which unjustifiably restrict U.S. commerce, the President shall, to the extent that such action is consistent with the purposes of section 102, suspend, withdraw, or prevent the application of benefits of trade agreement concessions to products of such country or instrumentality or refrain from proclaiming benefits of trade agreement concessions to carry out a trade agreement with such country or instrumentality.

Section 252(c) provides that whenever a country or instrumentality, the products of which receive benefits of trade agreement concessions made by the United States, maintains import restrictions which are unreasonable (though they may be legally justifiable) and which either directly or indirectly substantially burden U.S. commerce, the President may, to the extent consistent with the purposes set out in section 102 and having due regard for the international obligations of the United States (1) suspend, withdraw, or prevent the application of benefits of trade agreement concessions to products of such country or instrumentality, or (2) refrain from proclaiming benefits of trade agreement concessions to carry out a trade agreement with such country or instrumentality.

Section 252(d) provides that the President is to provide an opportunity for interested persons to present views concerning the existence of import restrictions referred to in sections 252(a), (b), and (c) which are maintained against U.S. commerce. It also provides that the President shall, upon request by any interested person, provide for

public hearings after reasonable notice. Such hearings are to be provided through the organization established pursuant to section 242(a).

Section 256. Definitions

Section 256 sets out definitions of terms used in title II of the bill.

Paragraph (1) provides that the term "Free European Trading Community" means (A) the European Economic Community and (B) any country designated by the President which is a member of the European Free Trade Association.

Paragraph (2) provides that the term "European Economic Community" means the instrumentality known by such name or any successor thereto, and that the countries of the European Economic Community as of any particular date are to be those which on that date are agreed to achieve a common external tariff through the European Economic Community. The relevant date is the one determined by the context in which the term is used. Thus in section 211(c)(1), it is the date of the President's request to the Tariff Commission under section 211(d). In section 213(a)(3) (tropical agricultural and forestry commodities), it is the date of the President's determination.

Paragraph (3) provides that the term "European Free Trade Association" means the organization known by such name or any successor thereto, and the countries of the EFTA as of any date shall be those which are full members on such date.

Paragraph (4) provides that the term "agreement with the Free European Trading Community" means an agreement to which the United States and all countries of the FETC (determined as of the date such an agreement is entered into and pursuant to the definition in par. (1) of sec. 256) are parties. This paragraph further provides that each country for which the EEC signs shall be treated as a party to the agreement.

Paragraph (7) provides that the term "existing" without the specification of any date, when used in connection with any matter relating to the entering into of a trade agreement or any proclamation to carry out a trade agreement, means existing on the day on which such trade agreement was entered into, and when referring to a rate of duty, refers to the rate of duty (however established, and even though temporarily suspended by act of Congress or otherwise) existing on such date.

Section 257. Relation to other laws

Section 257(g)(1) amends section 102(1) of the Tariff Classification Act of 1962 to recognize that the President should proclaim, as required or appropriate to carry out a trade agreement, any conditional duty-free provisions of schedule 8 which are included in trade agreements, as well as provisions of schedules 1 to 7 included in such agreements.

Section 257(g)(2) amends section 203 of the Tariff Classification Act of 1962 in two respects. First, subparagraphs (1) and (2) of section 203, which presently deal with the relation between that act and the trade agreements authority under section 350 of the Tariff Act of 1930 based on rates existing on July 1, 1958, are amended to deal with the relation between that act and the authority under the Trade Expansion Act based on rates existing on July 1, 1962.

Second, a new subparagraph (3) is added to section 203 which is designed to assure that, following legislation reclassifying an article, duty-reducing authority can be fully utilized without reintroducing the superseded classification criteria. For example, a new statutory definition might result in the reclassification of an article from a category with a rate of 30 percent ad valorem to a category with a rate of 25 percent. If subsequently it were desired to negotiate a 50-percent reduction applicable to all articles in the latter category, with the 25-percent rate, there would be a question whether, without the substance of paragraph (3), this could be done without reintroducing the obsolete definition. The rate for the articles actually dutiable under that provision on July 1, 1962, could be reduced to 12½ percent, but it could be argued that the rate for the article which had become dutiable thereunder as a result of subsequent legislation could only be reduced to 15 percent—50 percent of the 30-percent rate actually existing for that article on July 1, 1962. Thus it might be necessary to subclassify this article, in terms of the obsolete classification criteria, at a somewhat higher rate in order to utilize fully the trade agreements authority for the other articles in the category. Under paragraph (3), because the reclassification would be treated as having been in effect on July 1, 1962, it would be possible to make the reduction to 12½ percent applicable to all articles in the 25-percent category without any need for reintroducing the obsolete classification criteria. The substance of this provision has been included in some individual statutes modifying rates of duty, and it is believed consistent with the purpose of tariff simplification that it be made generally applicable to all such subsequent legislation.

Section 257(h) provides that section 22 of the Agricultural Adjustment Act and import restrictions imposed thereunder shall be unaffected by the bill. Other laws not intended to be affected include the Anti-Dumping Act and section 303 of the Tariff Act of 1930, which relates to countervailing duties.

Section 258. References

This section insures that references in other laws (except the Trade Agreements Extension Act of 1951) to section 350 of the Tariff Act of 1930 and to agreements and proclamations thereunder, will also refer to the new act, unless clearly precluded by the context.

TITLE III—TARIFF ADJUSTMENT AND OTHER ADJUSTMENT ASSISTANCE

CHAPTER 1—ELIGIBILITY FOR ASSISTANCE

Section 301. Tariff Commission investigations and reports

Section 301(a)(1) provides that a petition for tariff adjustment under section 351 may be filed with the Tariff Commission by a trade association, firm, certified or recognized union, or other representative of an industry.

Section 301(a)(2) provides that a petition for a determination of eligibility to apply for adjustment assistance under chapter 2 may be filed with the Tariff Commission by a firm or its representative, and a petition for a determination of eligibility to apply for adjustment assistance under chapter 3 may be filed with the Tariff Commission

by a group of workers or by their certified or recognized union or other duly authorized representative.

Section 301(a)(3) provides that whenever a petition is filed under section 301(a), the Tariff Commission must transmit a copy of the petition to the Secretary of Commerce.

Section 301(b)(1) provides for Tariff Commission determinations of injury to domestic industries from imports. It provides that the Tariff Commission shall promptly make an industry investigation (1) upon request of the President, (2) upon resolution of either the Senate Committee on Finance or the House Committee on Ways and Means, (3) upon the Commission's own motion, or (4) upon the filing of any petition under section 301(a)(1). The investigation is to be made to determine whether, as a result in major part of concessions granted under trade agreements, the article in question is being imported into the United States in such increased quantities as to cause, or threaten to cause, serious injury to the domestic industry which is producing an article which is like or directly competitive with such imported article. The phrase "as a result in major part of concessions granted under trade agreements," as applied to concessions involving reductions in duty, means the aggregate reduction which has been arrived at by means of a trade agreement or trade agreements (whether entered into under sec. 201 of this bill or under sec. 350 of the Tariff Act of 1930).

Section 301(b)(2) provides that in making an industry determination under subsection (b)(1) the Tariff Commission is to take into account all economic factors which it considers relevant, including idling of productive facilities, inability to operate at a level of reasonable profit, and unemployment or underemployment.

Section 301(b)(3) provides that for purposes of paragraph (1), increased imports shall be considered to have caused, or threatened to cause, serious injury to the domestic industry concerned when the Tariff Commission finds that such increased imports have been the major factor in causing, or threatening to cause, such injury.

Section 301(c)(1) provides for Tariff Commission determinations of injury to individual firms from imports. The Commission must promptly make an investigation to determine whether, as a result in major part of concessions granted under trade agreements, an article complained of in the petition and alleged to be like or directly competitive with an article produced by the firm is being imported into the United States in such increased quantities as to cause, or threaten to cause, serious injury to such firm.

Section 301(c)(2) provides for Tariff Commission determinations of injury to workers from imports. The Commission must promptly make an investigation to determine whether, as a result in major part of concessions granted under trade agreements, an article complained of in the petition and alleged to be like or directly competitive with an article produced by such workers' firm, or an appropriate subdivision of the firm, is being imported into the United States in such increased quantities as to cause, or threaten to cause, unemployment or underemployment of a significant number or proportion of the workers of such firm or subdivision.

Section 301(c)(3) provides that for purposes of paragraphs (1) and (2), increased imports shall be considered to have caused, or threatened to cause, serious injury to a firm or unemployment or underemploy-

ment, as the case may be, when the Tariff Commission finds that such increased imports have been the major factor in causing, or threatening to cause, such injury or unemployment or underemployment.

Section 301(d)(1) provides that in the course of any industry investigation under subsection (b)(1), the Tariff Commission shall, after giving reasonable notice, hold public hearings and shall afford interested parties an opportunity to be present, to produce evidence, and to be heard at such hearings.

Section 301(d)(2) provides that in the course of any investigation regarding a firm or group of workers under subsection (c)(1) or (c)(2), respectively, the Tariff Commission shall, after reasonable notice, hold public hearings if requested by the petitioner, or if, within 10 days after notice of the filing of the petition, a hearing is requested by any other party showing a proper interest in the subject matter of the investigation, and shall afford such parties an opportunity to be present, to produce evidence, and to be heard at such hearings.

Section 301(f)(2) requires that the Tariff Commission's report of its industry determination under section 301(b) must be made not later than 6 months after the date on which the petition is filed (or the date on which the request or resolution is received or the motion is adopted, as the case may be). Upon making such report to the President, the Commission must promptly make the report public and cause a summary of the report to be published in the Federal Register.

Section 301(g) provides, in effect, that no investigation may be instituted under section 301 within 60 days after the date of enactment of the bill, without affecting, however, the carryover of investigations pending under section 7 of the Trade Agreements Extension Act of 1951 as provided in section 257(e)(3).

Section 302. Presidential action after Tariff Commission determination

Section 302(a) provides that after receiving a report from the Tariff Commission containing an affirmative finding (under sec. 301(b)) of serious injury or threat thereof with respect to any industry, the President may (1) provide tariff adjustment for such industry pursuant to section 351 or section 352; (2) provide, with respect to such industry, that firms therein may request the Secretary of Commerce for certifications of eligibility to apply for adjustment assistance under chapter 2 of title III of the bill; (3) provide, with respect to such industry, that groups of workers therein may request the Secretary of Labor for certifications of eligibility to apply for adjustment assistance under chapter 3 of title III of the bill; or (4) take any combination of such actions. No order of priority as between tariff adjustment and other adjustment assistance is established.

CHAPTER 3—ASSISTANCE TO WORKERS

Section 323. Weekly amounts

Section 323(c) provides for reduction in the amount of weekly trade readjustment allowance payable to an adversely affected worker by any amount of unemployment insurance which he has received or is seeking for the week. However, if the appropriate State or Federal agency finally determines that the worker was not entitled to unemployment insurance for such week, the reduction will not apply for that week.

Section 323(d) provides that if unemployment insurance, or a training allowance under the Manpower Development and Training Act of 1962 or the Area Redevelopment Act, is paid to an adversely affected worker for weeks for which he would have been entitled to trade readjustment allowances if he had applied for such allowances, the number of weeks for which he may receive trade readjustment allowances is reduced by the number of weeks for which such unemployment insurance or such training allowances are paid. Under this section, if his trade readjustment allowance for a week is greater than the payment he actually received, he will be paid the additional amount for each of the earlier weeks. This section also provides that in determining whether a worker would have been entitled to a trade readjustment allowance for a week for which he received State unemployment insurance or a Federal training allowance, his entitlement is to be determined without regard to the provisions of subsections (c) and (e) of section 323 and any disqualification under section 327.

Paragraph (1) of section 323(g) provides that if an adversely affected worker is paid unemployment insurance for a week for which he has received a trade readjustment allowance or for which he makes application for a trade readjustment allowance and would be entitled to receive such allowance, the State is to be reimbursed for the unemployment insurance, to the extent that the payment does not exceed the trade readjustment allowance which such worker would have received, or would have been entitled to receive, if he had not received the State payment. The reimbursement is to be made from sums appropriated to the Secretary of Labor to carry out his functions under chapter 3 of title III of the bill. The amount of such reimbursement will be determined by the Secretary of Labor on the basis of reports furnished him by the State agency. Paragraph (2) of section 323(g) provides that where a State agency is reimbursed under paragraph (1), the payments, and the period of unemployment for which the payments were made, may be disregarded under the State law (and for the purposes of applying sec. 3303 of the Internal Revenue Code of 1954) in determining the employer's rate of contribution under the experience rating provisions of the State law if, but only if, the State law provides that the worker's rights to unemployment insurance for which reimbursement was made are reinstated to him. This paragraph also provides that such reimbursement shall not entitle the worker to receive State unemployment insurance, after the termination of the period of his eligibility for trade readjustment allowances, for weeks of unemployment for which he was eligible for trade readjustment allowances.

Section 332. Payments to States

Section 332(a) provides that the Secretary of Labor will certify periodically to the Secretary of the Treasury for payment to each State which has an agreement under chapter 3 of title III of the bill the sums necessary to enable the State to make the payments of allowances provided by chapter 3 and the sums reimbursable to a State pursuant to section 323(g). This subsection also provides that sums reimbursable to a State pursuant to section 323(g) shall be credited to the account of such State in the unemployment trust fund.

CHAPTER 4—TARIFF ADJUSTMENT

Section 351. Authority

Section 351(b) prescribes the limits on increases or impositions of duties which the President may proclaim in providing tariff adjustment pursuant to subsection (a). No proclamation may be made increasing any rate of duty to a rate more than 50 percent above the rate existing on July 1, 1934, or, if the article is dutiable but no rate existed on that date, the rate existing at the time of proclamation; or, in the case of an article not subject to duty, imposing a duty in excess of 50 percent ad valorem. The term "existing on July 1, 1934" as used here is defined in paragraph (6) of section 256.

Section 351(c)(1)(B) provides for a termination date of any duty or other import restriction proclaimed under section 351 or section 7 of the 1951 act, unless extended as provided under paragraph (2) of section 351(c). Such duty or other import restriction is to terminate not later than the close of the date which in 5 years after the effective date of the initial proclamation or the date of enactment of the bill, whichever is the later.

Section 351(c)(2) provides that the duty or other import restriction proclaimed under section 351 or under section 7 of the Trade Agreements Extension Act of 1951 may be extended in whole or in part the President for such periods as he may designate, but not in excess of 5 years at any one time, if he determines that such extension is in the national interest. Before making such a determination, he is required to take into account the advice received from the Tariff Commission under subsection (d)(3) (after petition by the industry concerned) and to seek the advice of both the Secretary of Commerce and the Secretary of Labor.

Section 351(d)(1) provides that the Tariff Commission is to keep under review developments with respect to the industry concerned, so long as any increase in, or imposition of, any duty or other import restriction proclaimed pursuant to section 351 or section 7 of the Trade Agreements Extension Act of 1951 remains in force. The Tariff Commission is further required to make annual reports to the President concerning such developments.

Section 351(d)(2) provides for submission by the Tariff Commission, upon the President's request, or upon its own motion, of the advice referred to in subparagraph (A) of subsection (c)(1), of its judgment as to the probable economic effect on the industry concerned of the reduction or termination of the increase or imposition which has been proclaimed under section 351 or section 7 of the 1951 act.

Section 352. Orderly marketing agreements

Section 352(a) provides that after receiving an affirmative finding of the Tariff Commission under section 301(b) with respect to an industry, the President may, as an alternative to the action authorized by section 351(a)(1), but subject to the congressional review procedures of the other paragraphs of section 351(a), negotiate international agreements with foreign countries limiting the export from such countries and the import into the United States of the article causing or threatening to cause serious injury to such industry, whenever he

determines that such an agreement would be more appropriate than tariff relief to prevent or remedy serious injury to the industry.

Section 352(b) provides that in order to carry out such an agreement, the President is authorized to issue regulations governing the entry into the United States or the withdrawal from warehouse of the article covered by the agreement. Further, in order to carry out a multilateral agreement concluded under subsection (a) among countries accounting for a significant part of world trade in the article covered by the agreement, the President may also issue such regulations governing the like article which is the product of countries not parties to the agreement.

Section 353. Additional authority to increase tariffs and impose quotas

Section 353 provides that, notwithstanding any other provision of law, the President may, when he finds it in the national interest to do so, increase any existing duty to the extent he finds necessary, impose a duty on an article to the extent he finds necessary, and impose such other import restrictions to the extent he finds necessary.

Section 405. Definitions

Paragraph (5) provides that a product of a country or area is an article which is the growth, produce, or manufacture of such country or area.

Changes in Existing Law

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

SECTION 350 OF THE TARIFF ACT OF 1930

Part III—Promotion of Foreign Trade

Sec. 350. (a)(1) For the purpose of expanding foreign markets for the products of the United States (as a means of assisting in establishing and maintaining a better relationship among various branches of American agriculture, industry, mining, and commerce) by regulating the admission of foreign goods into the United States in accordance with the characteristics and needs of various branches of American production so that foreign markets will be made available to those branches of American production which require and are capable of developing such outlets by affording corresponding market opportunities for foreign products in the United States, the President, whenever he finds as a fact that any existing duties or other import restrictions of the United States or any foreign country are unduly burdening and restricting the foreign trade of the United States and that the purpose above declared will be promoted by the means hereinafter specified, is authorized from time to time—

(A) To enter into foreign trade agreements with foreign governments or instrumentalities thereof: *Provided*, That the enactment of the Trade Agreements Extension Act of 1955 shall not be construed to determine or indicate the approval or disapproval by the Congress of the executive agreement known as the General Agreement on Tariffs and Trade.

(B) To proclaim such modifications of existing duties and other import restrictions, or such additional import restrictions, or such continuance, and for such minimum periods, of existing customs or excise treatment of any article covered by foreign trade agreements, as are required or appropriate to carry out any foreign trade agreement that the President has entered into hereunder.

(2) No proclamation pursuant to paragraph (1)(B) of this subsection shall be made—

(A) Increasing by more than 50 per centum any rate of duty existing on July 1, 1934; except that a specific rate of duty existing on July 1, 1934, may be converted to its ad valorem equivalent based on the value of imports of the article concerned during the calendar year 1934 (determined in the same manner as provided in subparagraph (D)(ii)) and the proclamation may provide an ad valorem rate of duty not in excess of 50 per centum above such ad valorem equivalent.

(B) Transferring any article between the dutiable and free lists.

(C) In order to carry out a foreign trade agreement entered into by the President before June 12, 1955, or with respect to which notice of intention to negotiate was published in the Federal Register on November 16, 1954, decreasing by more than 50 per centum any rate of duty existing on January 1, 1945.

(D) In order to carry out a foreign trade agreement entered into by the President on or after June 12, 1955, and before July 1, 1958, decreasing (except as provided in subparagraph (C) of this paragraph) any rate of duty below the lowest of the following rates:

(i) The rate 15 per centum below the rate existing on January 1, 1955.

(ii) In the case of any article subject to an ad valorem rate of duty above 50 per centum (or a combination of ad valorem rates aggregating more than 50 per centum), the rate 50 per centum ad valorem (or a combination of ad valorem rates aggregating 50 per centum). In the case of any article subject to a specific rate of duty (or a combination of rates including a specific rate) the ad valorem equivalent of which has been determined by the President to have been above 50 per centum during a period determined by the President to be a representative period, the rate 50 per centum ad valorem or the rate (or a combination of rates), however stated, the ad valorem equivalent of which the President determines would have been 50 per centum during such period. The standards of valuation contained in section 402 or 402a of this Act (as in effect, with respect to the article concerned, during the representative period) shall be utilized by the President, to the maximum extent he finds such utilization practicable, in making the determinations under the preceding sentence.

(E) In order to carry out a foreign trade agreement entered into by the President on or after July 1, 1958, decreasing any rate of duty below the lowest of the rates provided for in paragraph (4)(A) of this subsection.

(3)(A) Subject to the provisions of subparagraphs (B) and (C) of this paragraph and of subparagraph (B) of paragraph (4) of this subsection, the provisions of any proclamation made under paragraph (1)(B) of this subsection, and the provisions of any proclamation of suspension under paragraph (5) of this subsection, shall be in effect from and after such time as is specified in the proclamation.

(B) In the case of any decrease in duty to which paragraph (2)(D) of this subsection applies—

(i) if the total amount of the decrease under the foreign trade agreement does not exceed 15 per centum of the rate existing on January 1, 1955, the amount of decrease becoming initially effective at one time shall not exceed 5 per centum of the rate existing on January 1, 1955;

(ii) except as provided in clause (i), not more than one-third of the total amount of the decrease under the foreign trade agreement shall become initially effective at one time; and

(iii) no part of the decrease after the first part shall become initially effective until the immediately previous part shall have been in effect for a period or periods aggregating not less than one year.

(C) No part of any decrease in duty to which the alternative specified in paragraph (2)(D)(i) of this subsection applies shall become initially effective after the expiration of the three-year period which begins on July 1, 1955. If any part of such decrease has become effective, then for purposes of this subparagraph any time thereafter during which such part of the decrease is not in effect by reason of legislation of the United States or action thereunder shall be excluded in determining when the three-year period expires.

(D) If (in order to carry out a foreign trade agreement entered into by the President on or after June 12, 1955) the President determines that such action will simplify the computation of the amount of duty imposed with respect to an article, he may exceed any limitation specified in paragraph (2) (C) or (D) or paragraph (4) (A) or (B) of this subsection or subparagraph (B) of this paragraph by not more than whichever of the following is lesser:

(i) The difference between the limitation and the next lower whole number, or

(ii) One-half of 1 per centum ad valorem.

In the case of a specific rate (or of a combination of rates which includes a specific rate), the one-half of 1 per centum specified in clause (ii) of the preceding sentence shall be determined in the same manner as the ad valorem equivalent of rates not stated wholly in ad valorem terms is determined for the purposes of paragraph (2)(D)(ii) of this subsection.

(4)(A) No proclamation pursuant to paragraph (1)(B) of this subsection shall be made, in order to carry out a foreign trade agreement entered into by the President on or after July 1, 1958, decreasing any rate of duty below the lowest of the following rates:

(i) The rate which would result from decreasing the rate existing on July 1, 1958, by 20 per centum of such rate.

(ii) Subject to paragraph (2)(B) of this subsection, the rate 2 per centum ad valorem below the rate existing on July 1, 1958.

(iii) The rate 50 per centum ad valorem or, in the case of any article subject to a specific rate of duty or to a combination of rates including a specific rate, any rate (or combination of rates), however stated, the ad valorem equivalent of which has been determined as 50 per centum ad valorem.

The provisions of clauses (ii) and (iii) of this subparagraph and of subparagraph (B)(ii) of this paragraph shall, in the case of any article subject to a combination of ad valorem rates of duty, apply to the aggregate of such rates; and, in the case of any article subject to a specific rate of duty or to a combination of rates including a specific rate, such provisions shall apply on the basis of the ad valorem equivalent of such rate or rates, during a representative period (whether or not such period includes July 1, 1958), determined in the same manner as the ad valorem equivalent of rates not stated wholly in ad valorem terms is determined for the purpose of paragraph (2)(D)(ii) of this subsection.

(B)(i) In the case of any decrease in duty to which clause (i) of subparagraph (A) of this paragraph applies, such decrease shall become initially effective in not more than four annual stages, and no amount of decrease becoming initially effective at one time shall exceed 10 per centum of the rate of duty existing on July 1, 1958, or, in any case in which the rate has been increased since that date, exceed such 10 per centum or one-third of the total amount of the decrease under the foreign trade agreement, whichever is the greater.

(ii) In the case of any decrease in duty to which clause (ii) of subparagraph (A) of this paragraph applies, such decrease shall become initially effective in not more than four annual stages, and no amount of decrease becoming initially effective at one time shall exceed 1 per centum ad valorem or, in any case in which the rate has been increased since July 1, 1958, exceed such 1 per centum or one-third of the total amount of the decrease under the foreign trade agreement, whichever is the greater.

(iii) In the case of any decrease in duty to which clause (iii) of subparagraph (A) of this paragraph applies, such decrease shall become initially effective in not more than four annual stages, and no amount of decrease becoming initially effective at one time shall exceed one-third of the total amount of the decrease under the foreign trade agreement.

(C) In the case of any decrease in duty to which subparagraph (A) of this paragraph applies (i) no part of a decrease after the first part shall become initially effective until the immediately previous part shall have been in effect for a period or periods aggregating not less than one year, nor after the first part shall have been in effect for a period or periods aggregating more than three years, and (ii) no part of a decrease shall become initially effective after the expiration of the four-year period which begins on July 1, 1962. If any part of a decrease has become effective, then for the purposes of clauses (i) and (ii) of the preceding sentence any time thereafter during which such part of the decrease is not in effect by reason of legislation of the United States or action thereunder shall be excluded in determining when the three-year period or the four-year period, as the case may be, expires.

[(5) Subject to the provisions of section 5 of the Trade Agreements Extension Act of 1951 (19 U.S.C., sec. 1362), duties and other import

restrictions proclaimed pursuant to this section shall apply to articles the growth, produce, or manufacture of all foreign countries, whether imported directly or indirectly: *Provided,* That the President shall, as soon as practicable, suspend the application to articles the growth, produce, or manufacture of any country because of its discriminatory treatment of American commerce or because of other acts (including the operations of international cartels) or policies which in his opinion tend to defeat the purpose of this section.]

(6) The President may at any time terminate, in whole or in part, any proclamation made pursuant to this section.

(b) Nothing in this section *or the Trade Expansion Act of 1962* shall be construed to prevent the application, with respect to rates of duty established under this section *or the Trade Expansion Act of 1962* pursuant to agreements with countries other than Cuba, of the provisions of the treaty of commercial reciprocity concluded between the United States and the Republic of Cuba on December 11, 1902, or to preclude giving effect to an agreement with Cuba concluded under this section, modifying the existing preferential customs treatment of any article the growth, produce, or manufacture of Cuba. Nothing in this Act *or the Trade Expansion Act of 1962* shall be construed to preclude the application to any product of Cuba (including products preferentially free of duty) of a rate of duty not higher than the rate applicable to the like products of other foreign countries (except the Philippines), whether or not the application of such rate involves any preferential customs treatment. No rate of duty on products of Cuba shall be decreased—

(1) In order to carry out a foreign trade agreement entered into by the President before June 12, 1955, by more than 50 per centum of the rate of duty existing on January 1, 1945, with respect to products of Cuba.

(2) In order to carry out a foreign trade agreement entered into by the President on or after June 12, 1955, *and before July 1, 1962,* below the applicable alternative specified in subsection (a)(2) (C) or (D) or (4)(A) (subject to the applicable provisions of subsection (a)(3) (B), (C), and (D) and (4)(B) and (C)), each such alternative to be read for the purposes of this paragraph as relating to the rate of duty applicable to products of Cuba. With respect to products of Cuba, the limitation of subsection (a)(2)(D)(ii) or (4)(A)(iii) may be exceeded to such extent as may be required to maintain an absolute margin of preference to which such products are entitled.

(3) In order to carry out a foreign trade agreement entered into after June 30, 1962, and before July 1, 1967, below the lowest rate permissible by applying title II of the Trade Expansion Act of 1962 to the rate of duty (however established, and even though temporarily suspended by Act of Congress or otherwise) existing on July 1, 1962, with respect to such product.

(c)(1) As used in this section, the term "duties and other import restrictions" includes (A) rate and form of import duties and classification of articles, and (B) limitations, prohibitions, charges, and exactions other than duties, imposed on importation or imposed for the regulation of imports.

(2) For purposes of this section—

(A) Except as provided in subsection (d), the terms "existing on July 1, 1934", "existing on January 1, 1945", "existing on January 1, 1955", and "existing on July 1, 1958" refer to rates of duty (however established, and even though temporarily suspended by Act of Congress or otherwise) existing on the date specified, except rates in effect by reason of action taken pursuant to section 5 of the Trade Agreements Extension Act of 1951 (19 U.S.C., sec. 1362).

(B) The term "existing" without the specification of any date, when used with respect to any matter relating to the conclusion of, or proclamation to carry out, a foreign trade agreement, means existing on the day on which that trade agreement is entered into.

(d)(1) When any rate of duty has been increased or decreased for the duration of war or an emergency, by agreement or otherwise, any further increase or decrease shall be computed upon the basis of the post-war or post-emergency rate carried in such agreement or otherwise.

(2) Where under a foreign trade agreement the United States has reserved the unqualified right to withdraw or modify, after the termination of war or an emergency, a rate on a specific commodity, the rate on such commodity to be considered as "existing on January 1, 1945" for the purpose of this section shall be the rate which would have existed if the agreement had not been entered into.

(3) No proclamation shall be made pursuant to this section for the the purpose of carrying out any foreign trade agreement the proclamation with respect to which has been terminated in whole by the President prior to the date this subsection is enacted.

[(e)(1) The President shall submit to the Congress an annual report on the operation of the trade agreements program, including information regarding new negotiations, modifications made in duties and import restrictions of the United States, reciprocal concessions obtained, modifications of existing trade agreements in order to effectuate more fully the purposes of the trade agreements legislation (including the incorporation therein of escape clauses), the results of action taken to obtain removal of foreign trade restrictions (including discriminatory restrictions) against United States exports, remaining restrictions, and the measures available to seek their removal in accordance with the objectives of this section, and other information relating to that program and to the agreements entered into thereunder.

[(2) The Tariff Commission shall at all times keep informed concerning the operation and effect of provisions relating to duties or other import restrictions of the United States contained in trade agreements heretofore or hereafter entered into by the President under the authority of this section. The Tariff Commission, at least once a year, shall submit to the Congress a factual report on the operation of the trade-agreements program.]

(f) It is hereby declared to be the sense of the Congress that the President, during the course of negotiating any foreign trade agreement under this section, should seek information and advice with respect to such agreement from representatives of industry, agriculture, and labor.

SECTION 2(a) OF THE ACT OF JUNE 12, 1934 (19 U.S.C., SEC. 1352(a))

SEC. 2. (a) Subparagraph (d) of paragraph 369, the last sentence of paragraph 1402, and the provisos to paragraphs 371, 401, 1650, 1687, and 1803(1) of the Tariff Act of 1930 are repealed. The provisions of section 336 of the Tariff Act of 1930 shall not apply to any article with respect to the importation of which into the United States a foreign trade agreement has been concluded pursuant to this Act *or the Trade Expansion Act of 1962*, or to any provision of any such agreement. The third paragraph of section 311 of the Tariff Act of 1930 shall apply to any agreement concluded pursuant to this Act *or the Trade Expansion Act of 1962* to the extent only that such agreement assures to the United States a rate of duty on wheat flour produced in the United States which is preferential in respect to the lowest rate of duty imposed by the country with which such agreement has been concluded on like flour produced in any other country; and upon the withdrawal of wheat flour from bonded manufacturing warehouses for exportation to the country with which such agreement has been concluded, there shall be levied, collected, and paid on the imported wheat used, a duty equal to the amount of such assured preference.

SECTIONS 5, 6, 7, AND 8(a) OF THE TRADE AGREEMENTS EXTENSION ACT OF 1951

[SEC. 5. As soon as practicable, the President shall take such action as is necessary to suspend, withdraw or prevent the application of any reduction in any rate of duty, or binding of any existing customs or excise treatment, or other concession contained in any trade agreement entered into under the authority of section 350 of the Tariff Act of 1930, as amended and extended, to imports from the Union of Soviet Socialist Republics and to imports from any nation or area dominated or controlled by the foreign government or foreign organization controlling the world Communist movements.

[SEC. 6. (a) No reduction in any rate of duty, or binding of any existing customs or excise treatment, or other concession hereafter proclaimed under section 350 of the Tariff Act of 1930, as amended, shall be permitted to continue in effect when the product on which the concession has been granted is, as a result, in whole or in part, of the duty or other customs treatment reflecting such concession, being imported into the United States in such increased quantities, either actual or relative, as to cause or threaten serious injury to the domestic industry producing like or directly competitive products.

[(b) The President, as soon as practicable, shall take such action as may be necessary to bring trade agreements heretofore entered into under section 350 of the Tariff Act of 1930, as amended, into conformity with the policy established in subsection (a) of this section.

[SEC. 7. (a) Upon the request of the President, upon resolution of either House of Congress, upon resolution of either the Committee on Finance of the Senate or the Committee on Ways and Means of the House of Representatives, upon its own motion, or upon applica-

tion of any interested party (including any organization or group of employees), the United States Tariff Commission shall promptly make an investigation and make a report thereon not later than six months after the application is made to determine whether any product upon which a concession has been granted under a trade agreement is, as a result, in whole or in part, of the duty or other customs treatment reflecting such concession, being imported into the United States in such increased quantities, either actual or relative, as to cause or threaten serious injury to the domestic industry producing like or directly competitive products.

[In the course of any such investigation, whenever it finds evidence of serious injury or threat of serious injury or whenever so directed by resolution of either the Committee on Finance of the Senate or the Committee on Ways and Means of the House of Representatives, the Tariff Commission shall hold hearings giving reasonable public notice thereof and shall afford reasonable opportunity for interested parties to be present, to produce evidence, and to be heard at such hearings.

[Should the Tariff Commission find, as the result of its investigation and hearings, that a product on which a concession has been granted is, as a result, in whole or in part, of the duty or other customs treatment reflecting such concession, being imported in such increased quantities, either actual or relative as to cause or threaten serious injury to the domestic industry producing like or directly competitive products, it shall recommend to the President the withdrawal or modification of the concession, its suspension in whole or in part, or the establishment of import quotas, to the extent and for the time necessary to prevent or remedy such injury. The Tariff Commission shall immediately make public its findings and recommendations to the President, including any dissenting or separate findings and recommendations, and shall cause a summary thereof to be published in the Federal Register.

[(b) In arriving at a determination in the foregoing procedure the Tariff Commission, without excluding other factors, shall take into consideration a downward trend of production, employment, prices, profits, or wages in the domestic industry concerned, or a decline in sales, an increase in imports, either actual or relative to domestic production, a higher or growing inventory, or a decline in the proportion of the domestic market supplied by domestic producers.

[Increased imports, either actual or relative, shall be considered as the cause or threat of serious injury to the domestic industry producing like or directly competitive products when the Commission finds that such increased imports have contributed substantially towards causing or threatening serious injury to such industry.

[(c)(1) Upon receipt of the Tariff Commission's report of its investigation and hearings, the President may make such adjustments in the rates of duty, impose such quotas, or make such other modifications as are found and reported by the Commission to be necessary to prevent or remedy serious injury to the respective domestic industry. If the President does not take such action within sixty days he shall immediately submit a report to the Committee on Ways and Means of the House and to the Committee on Finance of the Senate stating why he has not made such adjustments or modifications, or imposed such quotas.

[(2) The action so found and reported by the Commission to be necessary shall take effect (as provided in the first sentence of paragraph (1) or in paragraph (3), as the case may be)—

[(A) if approved by the President, or

[(B) if disapproved by the President in whole or in part, upon the adoption by both Houses of the Congress (within the 60-day period following the date on which the report referred to in the second sentence of paragraph (1) is submitted to such committees), by the yeas and nays by a two-thirds vote of each House, of a concurrent resolution stating in effect that the Senate and House of Representatives approve the action so found and reported by the Commission to be necessary.

For the purposes of subparagraph (B), in the computation of the 60-day period there shall be excluded the days on which either House is not in session because of an adjournment of more than 3 days to a day certain or an adjournment of the Congress sine die.

[(3) In any case in which the contingency set forth in paragraph (2)(B) occurs, the President shall (within 15 days after the adoption of such resolution) take such action as may be necessary to make the adjustments, impose the quotas, or make such other modifications as were found and reported by the Commission to be necessary.

[(d) When in the judgment of the Tariff Commission no sufficient reason exists for a recommendation to the President that a concession should be withdrawn or modified or a quota established, it shall make and publish a report stating its findings and conclusions.

[(e) As used in this Act, the terms "domestic industry producing like or directly competitive products" and "domestic industry producing like or directly competitive articles" mean that portion or subdivision of the producing organizations manufacturing, assembling, processing, extracting, growing, or otherwise producing like or directly competitive products or articles in commercial quantities. In applying the preceding sentence, the Commission shall (so far as practicable) distinguish or separate the operations of the producing organizations involving the like or directly competitive products or articles referred to in such sentence from the operations of such organizations involving other products or articles.

[(f) In carrying out the provisions of this section the President may, notwithstanding section 350(a)(2) of the Tariff Act of 1930, as amended, impose a duty not in excess of 50 per centum ad valorem on any article not otherwise subject to duty.

[SEC. 8. (a) In any case where the Secretary of Agriculture determines and reports to the President and to the Tariff Commission with regard to any agricultural commodity that due to the perishability of the commodity a condition exists requiring emergency treatment, the Tariff Commission shall make an immediate investigation * * * under the provisions of section 7 of this Act to determine the facts and make recommendations to the President for such relief under those provisions as may be appropriate. The President may take immediate action however, without awaiting the recommendations of the Tariff Commission if in his judgment the emergency requires such action. In any case the report and findings of the Tariff Commission and the decision of the President shall be made at the earliest possible date and in any event not more than 25 calendar days after the submission of the case to the Tariff Commission.]

SECTION 2 OF THE ACT OF JULY 1, 1954

[SEC. 2. (a) No action shall be taken pursuant to section 350 of the Tariff Act of 1930, as amended (19 U.S.C., sec. 1351), to decrease the duty on any article if the President finds that such reduction would threaten to impair the national security.

[(b) Upon request of the head of any Department or Agency, upon application of an interested party, or upon his own motion, the Director of the Office of Defense and Civilian Mobilization (hereinafter in this section referred to as the "Director") shall immediately make an appropriate investigation, in the course of which he shall seek information and advice from other appropriate Departments and Agencies, to determine the effects on the national security of imports of the article which is the subject of such request, application, or motion. If, as a result of such investigation, the Director is of the opinion that the said article is being imported into the United States in such quantities or under such circumstances as to threaten to impair the national security, he shall promptly so advise the President, and, unless the President determines that the article is not being imported into the United States in such quantities or under such circumstances as to threaten to impair the national security as set forth in this section, he shall take such action, and for such time, as he deems necessary to adjust the imports of such article and its derivatives so that such imports will not so threaten to impair the national security.

[(c) For the purposes of this section, the Director and the President shall, in the light of the requirements of national security and without excluding other relevant factors, give consideration to domestic production needed for projected national defense requirements, the capacity of domestic industries to meet such requirements, existing and anticipated availabilities of the human resources, products, raw materials, and other supplies and services essential to the national defense, the requirements of growth of such industries and such supplies and services including the investment, exploration, and development necessary to assure such growth, and the importation of goods in terms of their quantities, availabilities, character, and use as those affect such industries and the capacity of the United States to meet national security requirements. In the administration of this section, the Director and the President shall further recognize the close relation of the economic welfare of the Nation to our national security, and shall take into consideration the impact of foreign competition on the economic welfare of individual domestic industries; and any substantial unemployment, decrease in revenues of government, loss of skills or investment, or other serious effects resulting from the displacement of any domestic products by excessive imports shall be considered, without excluding other factors, in determining whether such weakening of our internal economy may impair the national security.

[(d) A report shall be made and published upon the disposition of each request, application, or motion under subsection (b). The Director shall publish procedural regulations to give effect to the authority conferred on him by subsection (b).

[(e) The Director, with the advice and consultation of other appropriate Departments and Agencies and with the approval of the President, shall by February 1, 1959, submit to the Congress a report

on the administration of this section. In preparing such a report, an analysis should be made of the nature of projected national defense requirements, the character of emergencies that may give rise to such requirements, the manner in which the capacity of the economy to satisfy such requirements can be judged, the alternative means of assuring such capacity and related matters.]

INTERNAL REVENUE CODE OF 1954

SEC. 172. NET OPERATING LOSS DEDUCTION.

(a) DEDUCTION ALLOWED.—There shall be allowed as a deduction for the taxable year an amount equal to the aggregate of (1) the net operating loss carryovers to such year, plus (2) this net operating loss carrybacks to such year. For purposes of the subtitle, the term "net operating loss deduction" means the deduction allowed by this subsection.

(b) NET OPERATING LOSS CARRYBACKS AND CARRYOVERS.—

(1) YEARS TO WHICH LOSS MAY BE CARRIED.—A net operating loss for any taxable year ending after December 31, 1957, shall be—

(A) *except as provided in subparagraph (B)*, a net operating loss carryback to each of the 3 taxable years preceding the taxable year of such loss, [and]

(B) in the case of a taxpayer with respect to a taxable year ending on or after December 31, 1962, for which a certification has been issued under section 317 of the Trade Expansion Act of 1962, a net operating loss carryback to each of the 5 taxable years preceding the taxable year of such loss, and

[(B)] *(C)* a net operating loss carryover to each of the 5 taxable years following the taxable year of such loss.

(2) AMOUNT OF CARRYBACKS AND CARRYOVERS.—Except as provided in subsection (i), the entire amount of the net operating loss for any taxable year (hereinafter in this section referred to as the "loss year") shall be carried to the earliest of the [8] taxable years to which (by reason of [subparagraphs (A) and (B) of] paragraph (1)) such loss may be carried. The portion of such loss which shall be carried to each of the other [7] taxable years shall be the excess, if any, of the amount of such loss over the sum of the taxable income for each of the prior taxable years to which such loss may be carried. For purposes of the preceding sentence, the taxable income for any such prior taxable year shall be computed—

(A) with the modifications specified in subsection (d) other than paragraphs (1), (4), and (6) thereof; and

(B) by determining the amount of the net operating loss deduction without regard to the net operating loss for the loss year or for any taxable year thereafter,

and the taxable income so computed shall not be considered to be less than zero.

(3) SPECIAL RULES.—

(A) Paragraph (1)(B) shall apply only if—

(i) there has been filed, at such time and in such manner as may be prescribed by the Secretary or his delegate, a notice of filing of the application under sec-

tion 317 of the Trade Expansion Act of 1962 for tax assistance, and, after its issuance, a copy of the certification under such section, and

(ii) the taxpayer consents in writing to the assessment, within such period as may be agreed upon with the Secretary or his delegate, of any deficiency for any year to the extent attributable to the disallowance of a deduction previously allowed with respect to such net operating loss, even though at the time of filing such consent the assessment of such deficiency would otherwise be prevented by the operation of any law or rule of law.

(B) In the case of—

(i) a partnership and its partners, or

(ii) an electing small business corporation under subchapter S and its shareholders,

paragraph (1)(B) shall apply as determined under regulations prescribed by the Secretary or his delegate. Such paragraph shall apply to a net operating loss of a partner or such a shareholder only if it arose predominantly from losses in respect of which certifications under section 317 of the Trade Expansion Act of 1962 were filed under this section.

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CHAPTER 66—LIMITATIONS

* * * * * * *

Subchapter A—Limitations on Assessment and Collection

* * * * * * *

SEC. 6501. LIMITATIONS ON ASSESSMENT AND COLLECTION.

(a) GENERAL RULE.—Except as otherwise provided in this section, the amount of any tax imposed by this title shall be assessed within 3 years after the return was filed (whether or not such return was filed on or after the date prescribed) or, if the tax is payable by stamp, at any time after such tax became due and before the expiration of 3 years after the date on which any part of such tax was paid, and no proceeding in court without assessment for the collection of such tax shall be begun after the expiration of such period.

* * * * * * *

(h) NET OPERATING LOSS CARRYBACKS.—In the case of a deficiency attributable to the application to the taxpayer of a net operating loss carryback (including deficiencies which may be assessed pursuant to the provisions of section 6213(b)(2)), such deficiency may be assessed at any time before the expiration of the period within which a deficiency for the taxable year of the net operating loss which results in such carryback may be assessed, *or within 18 months after the date on which the taxpayer files in accordance with section 172(b)(3) a copy of the certification (with respect to such taxable year) issued under section 317 of the Trade Expansion Act of 1962, whichever is later.*

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Subchapter B—Limitations on Credit or Refund

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SEC. 6511. LIMITATIONS ON CREDIT OR REFUND.

(a) PERIOD OF LIMITATION ON FILING CLAIM.—Claim for credit or refund of an overpayment of any tax imposed by this title in respect of which tax the taxpayer is required to file a return shall be filed by the taxpayer within 3 years from the time the return was filed or 2 years from the time the tax was paid, whichever of such periods expires the later, or if no return was filed by the taxpayer, within 2 years from the time the tax was paid. Claim for credit or refund of an overpayment of any tax imposed by this title which is required to be paid by means of a stamp shall be filed by the taxpayer within 3 years from the time the tax was paid.

* * * * * * *

(d) SPECIAL RULES APPLICABLE TO INCOME TAXES.—

* * * * * * *

(2) SPECIAL PERIOD OF LIMITATION WITH RESPECT TO NET OPERATING LOSS CARRYBACKS.—

(A) PERIOD OF LIMITATION.—If the claim for credit or refund relates to an overpayment attributable to a net operating loss carryback, in lieu of the 3-year period of limitation prescribed in subsection (a), the period shall be that period which ends with the expiration of the 15th day of the 40th month (or *the* 39th month, in the case of a corporation) following the end of the taxable year of the net operating loss which results in such carryback, or the period prescribed in subsection (c) in respect of such taxable year, whichever expires later; except that **[**,**]**—

(i) with respect to an overpayment attributable to a net operating loss carryback to any year on account of a certification issued to the taxpayer under section 317 of the Trade Expansion Act of 1962, the period shall not expire before the expiration of the sixth month following the month in which such certification is issued to the taxpayer, and

(*ii*) with respect to an overpayment attributable to the creation of, or an increase in, a net operating loss carryback as a result of the elimination of excessive profits by a renegotiation (as defined in section 1481(a)(1)(A)), the period shall not expire before September 1, 1959, or the expiration of the twelfth month following the month in which the agreement or order for the elimination of such excessive profits becomes final, whichever is the later.

In the case of such a claim, the amount of the credit or refund may exceed the portion of the tax paid within the period provided in subsection (b)(2) or (c), whichever is applicable, to the extent of the amount of the overpayment attributable to such carryback.

* * * * * * *

TARIFF CLASSIFICATION ACT OF 1962

* * * * * * *

SEC. 102. At the earliest practicable date, the President shall take such action as he deems necessary to bring the United States schedules annexed to foreign trade agreements into conformity with the Tariff Schedules of the United States and, after such action is completed, the President shall proclaim—

(1) the rates of duty in rate column numbered 1 [of schedules 1 to 7, inclusive,] and the other provisions of the Tariff Schedules of the United States, which are required or appropriate to carry out the foreign trade agreements to which the United States is a contracting party;

(2) the temporary modifications set forth in part 2 of the appendix to the tariff schedules (that is, those modifications proclaimed pursuant to the provisions of section 7 of the Trade Agreements Extension Act of 1951, as amended (19 U.S.C. 1364), and of other trade-agreements legislation);

(3) the additional import restrictions set forth in part 3 of the appendix to the tariff schedules (that is, those restrictions proclaimed pursuant to section 22 of the Agricultural Adjustment Act, as amended (7 U.S.C. 624)); and

(4) the nations or areas and countries set forth in general headnote 3(d) of the Tariff Schedules of the United States (relating to the treatment of products of certain Communist-dominated nations or areas and countries discriminating against American commerce).

* * * * * * *

[SEC. 203. For purposes of applying section 350 of the Tariff Act of 1930, as amended, with respect to the Tariff Schedules of the United States—

[(1) The rates of duty in rate column numbered 2 of schedules 1 to 7, inclusive, of the Tariff Schedules of the United States, shall be treated as the rates of duty existing on July 1, 1934.

[(2) The rates of duty in rate column numbered 1 of schedules 1 to 7, inclusive, of the Tariff Schedules of the United States shall be treated as the rates of duty existing on July 1, 1958; except that with respect to any articles the rates for which have been permanently changed by statute or Presidential proclamation since July 1, 1958, the rates to be regarded as existing on that date shall be rates which the Commission specifically declares, in the supplemental reports made pursuant to section 101(c) of this Act, to be rates which, in its judgment, conform to the fullest extent practicable to the rates presently regarded as existing on July 1, 1958.]

SEC. 203. For purposes of applying section 350 of the Tariff Act of 1930, as amended, and the Trade Expansion Act of 1962 with respect to the Tariff Schedules of the United States—

(1) The rate of duty in rate column numbered 2 for each item in schedules 1 to 7, inclusive, of the Tariff Schedules of the United States, shall be treated as the rate of duty existing on July 1, 1934.

(2) The lowest preferential or nonpreferential rate of duty in rate column numbered 1 for each item in schedules 1 to 7, inclusive, of the

Tariff Schedules of the United States on the effective date provided for in section 501(a) of this Act shall be treated as the preferential or nonpreferential rate of duty, respectively, existing on July 1, 1962; except that with respect to any article the rate for which in schedules 1 to 7 has been changed by Presidential proclamation after June 30, 1962, the rate to be regarded as existing on July 1, 1962, shall be the rate which the Commission specifically declares, in a supplemental report made pursuant to section 101(c) of this Act, to be the rate which, in its judgment, conforms to the fullest extent practicable to the rate regarded as existing on July 1, 1962, under section 256(5) of the Trade Expansion Act of 1962.

(3) Legislation entering into force after the effective date provided for in section 501(a) of this Act which results in the permanent reclassification of any article without specifying the rate of duty applicable thereto, and proclamations under section 202(c) of this Act, shall be considered as having been in effect since June 30, 1962.

* * * * * * *

INDIVIDUAL VIEWS OF SENATOR CARL T. CURTIS ON H.R. 11970

This measure goes far beyond the existing trade agreements program and I do not favor its enactment in its present form.

The European Common Market is a very desirable entity. It will lead to greater unity among the nations of Europe; it will elevate their economies and strengthen their political ties. It is a fortress against international communism and our national policy should be to encourage and to cooperate with the Common Market. The bill presented by the committee will not, in my opinion, be mutually advantageous to the United States and to the European nations. Both need each other and whatever weakens the United States weakens Europe.

Under the trade agreements program existing for more than a quarter of a century the Congress has delegated its constitutional powers to levy, modify and repeal taxes, and its powers to regulate portions of our commerce to the executive. In the past there have been certain limitations in this delegation of power. In most recent years the Congress has provided for safeguards such as the peril point and escape clause procedures. The measure before us departs from all these previous concepts.

Our reciprocal trade program of the past is not free of criticism. The United States has allowed foreign countries to impose many nontariff barriers against us such as quotas, embargos, import licenses, unreasonable inspection, variable import fees, currency manipulations, and other harassments. In the past the Congress has authorized the President, in his negotiations, to lower tariffs by 50 percent. Under the successive acts passed, the United States has bargained away 80 percent of its tariffs and bargaining power. The result is not praiseworthy. The average U.S. tariff on dutiable goods at present is 11 percent while the average for other major industrial nations is 14 percent. Many important examples are in greater contrast—for instance, the tariff on European cars sold in the United States is 6½ percent and the tariff on American cars, under EEC proposals will

soon be 22½ percent. Many other unfair situations can be cited especially in connection with our agricultural products. Candy is a widely consumed item and is made entirely from agricultural products. We permit candy to come in from Switzerland, France, Germany, or England under a tariff of 14 percent. American made candy shipped to many of these nations faces a tariff of 30 percent. The farmers want to trade with the Common Market countries. We are the world's most efficient and lowest cost producers of agricultural products. Under the variable duties now in effect within the Common Market countries, the products of American farmers face a tariff in the Common Markets countries, as of August 1, 1962, at least six times as high as corresponding tariffs on identical items imported from the Common Market into the United States. In addition to the inequality of tariffs facing the United States, we meet continually countless instances of the imposition of nontariff barriers mentioned above.

It is my belief trade negotiations can be carried on that would be mutually advantageous to the United States and to other countries. It must be a two-way street. The only safeguards remaining in the bill before us are ineffective. Discretionary power is given to the President, without limitation, to raise tariffs, to any level or to impose any other trade restriction. These provisions are not guidelines for negotiation. They will be applied, if at all, after the fact. They will subject the President to innumerable requests and pressures from deserving industries at home and will create ill will for the United States within foreign countries if they are ever applied.

The bill before us eliminates the peril point procedure. No longer will the Tariff Commission, after it has made its studies, advise the President before the negotiations at what point injury might occur. This measure abandons the policy of economically sound increased trade and proceeds upon an admission that negotiations will be consummated to the injury of segments of our economy. The escape clause is shorn of effectiveness in existing law.

The powers delegated to the President are vastly greater than the powers heretofore delegated. He may, through negotiation, lower all tariffs from their present level, a level lower than almost any other country, by an average of 50 percent. An addional list of commodities is subject to being lowered more than 50 percent—in fact down to zero. The President is specifically authorized to negotiate away all tariffs now less than a 5-percent ad valorem equivalent. In these two latter categories of additional power will rest many of our agricultural products.

Prior acts had, as their goal, an expansion of trade and an increase of jobs. This measure substitutes a Government managed economy for the United States and for foreign countries with shocking disregard for business and employment results. The bill sets up a superunemployment compensation system in addition to individual programs of our 50 States. It is another major step toward federalizing our unemployment systems. The bill permits workers or management to seek a finding that they are injured by imports. A worker so found to be unemployed by the reason of imports will be entitled to unemployment compensation for 52 weeks at approximately 65 percent of his salary. This will amount to almost twice the average

rate of unemployment compensation paid by our States. He will receive these benefits for 52 weeks, a longer period than is provided by most State unemployment compensation systems.

If this Federal unemployment compensation system becomes the law it will bring about many inequalities and many instances of unfairness. A person whose unemployment is caused by the executive granting concessions to destroy his job will draw a higher rate of unemployment compensation, for a longer period, than his neighbor who is secondarily unemployed because his employment was based upon goods or services provided to the business which closed because of imports. Attention is called to the testimony in the hearings of long-time, well-qualified administrators of State unemployment compensation systems who testified against this provision of the bill.

This measure is defective in its unprecedented and far-reaching delegation of power. It is lacking in that it fails to provide guidelines before agreements are entered into with foreign nations to protect the United States from arbitrary barriers or to protect the U.S. domestic market from excessive and uneconomic imports. The measure should be materially revised or delayed until January when such revision could be made.

CARL T. CURTIS,
U.S. Senator.

○

Calendar No. 2025

87TH CONGRESS
2D SESSION

H. R. 11970

[Report No. 2059]

IN THE SENATE OF THE UNITED STATES

JUNE 29, 1962

Read twice and referred to the Committee on Finance

SEPTEMBER 14, 1962

Reported, under authority of the order of the Senate of September 14, 1962, by Mr. BYRD of Virginia, with amendments

[Omit the part struck through and insert the part printed in italic]

AN ACT

To promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—SHORT TITLE AND PURPOSES

SEC. 101. SHORT TITLE.

This Act may be cited as the "Trade Expansion Act of 1962".

SEC. 102. STATEMENT OF PURPOSES.

The purposes of this Act are, through trade agreements affording mutual *trade* benefits—

(1) to stimulate the economic growth of the United States and maintain and enlarge foreign markets for the products of United States agriculture, industry, mining, and commerce; *and*

(2) to strengthen economic relations with foreign countries through the development of open and nondiscriminatory trading in the free ~~world;~~ *world.*

~~(3) to assist in the progress of countries in the earlier stages of economic development; and~~

~~(4) to prevent Communist economic penetration.~~

TITLE II—TRADE AGREEMENTS

CHAPTER 1—GENERAL AUTHORITY

SEC. 201. BASIC AUTHORITY FOR TRADE AGREEMENTS.

(a) Whenever the President determines that any existing duties or other import restrictions of any foreign country or the United States are unduly burdening and restricting the foreign trade of the United States and that any of the purposes stated in section 102 will be promoted thereby, the President may—

(1) after June 30, 1962, and before July 1, 1967,

enter into trade agreements with foreign countries or instrumentalities thereof; and

(2) proclaim such modification or continuance of any existing duty or other import restriction, such continuance of existing duty-free or excise treatment, or such additional import restrictions, as he determines to be required or appropriate to carry out any such trade agreement.

(b) Except as otherwise provided in this title, no proclamation pursuant to subsection (a) shall be made—

(1) decreasing any rate of duty to a rate below 50 percent of the rate existing on July 1, 1962; or

(2) increasing any rate of duty to (or imposing) a rate more than 50 percent above the rate existing on July 1, 1934.

SEC. 202. LOW-RATE ARTICLES.

Section 201 (b) (1) shall not apply in the case of any article for which the rate of duty existing on July 1, 1962, is not more than 5 percent ad valorem (or ad valorem equivalent). In the case of an article subject to more than one rate of duty, the preceding sentence shall be applied by taking into account the aggregate of such rates.

CHAPTER 2—SPECIAL PROVISIONS CONCERNING ~~EUROPEAN ECONOMIC COMMUNITY~~ *FREE EUROPEAN TRADING COMMUNITY*

SEC. 211. IN GENERAL.

(a) In the case of any trade agreement with the ~~European Economic Community~~ *Free European Trading Community*, section 201 (b) (1) shall not apply to articles in any category if, before entering into such trade agreement, the President determines with respect to such category that the United States and all countries of the ~~European Economic Community~~ *Free European Trading Community* together accounted for 80 percent or more of the aggregated world export value of all the articles in such category.

(b) For purposes of subsection (a)—

(1) As soon as practicable after the date of the enactment of this Act, the President shall—

(A) after taking into account the availability of trade statistics, select a system of comprehensive classification of articles by category, and

(B) make public his selection of such system.

(2) As soon as practicable after the President has selected a system pursuant to paragraph (1), the Tariff Commission shall—

(A) determine the articles falling within each category of such system, and

(B) make public its determinations.

The determination of the Tariff Commission as to the articles included in any category may be modified only by the Tariff Commission. Such modification by the Tariff Commission may be made only for the purpose of correction, and may be made only before the date on which the first list of articles specifying this section is furnished by the President to the Tariff Commission pursuant to section 221.

(c) For the purpose of making a determination under subsection (a) with respect to any category—

(1) The determination of the countries of the ~~European Economic Community~~ *Free European Trading Community* shall be made as of the date of the request under subsection (d).

(2) The President shall determine "aggregated world export value" with respect to any category of articles—

(A) on the basis of a period which he determines to be representative for such category, which period shall be included in the most recent 5-year period before the date of the request under subsection (d) for which statistics are available and shall contain at least 2 one-year periods,

(B) on the basis of the dollar value of exports

as shown by trade statistics in use by the Department of Commerce, and

(C) by excluding exports—

(i) from any country of the ~~European Economic Community~~ *Free European Trading Community* to another such country, and

(ii) to or from any country or area which, at any time during the representative period, was denied trade agreement benefits under section ~~231 or~~ *231*, under section 5 of the Trade Agreements Extension Act of 1951, *or under section 401(a) of the Tariff Classification Act of 1962.*

(d) Before the President makes a determination under subsection (a) with respect to any category, the Tariff Commission shall (upon request of the President) make findings as to—

(1) the representative period for such category,

(2) the aggregated world export value of the articles falling within such category, and

(3) the percentage of the aggregated world export value of such articles accounted for by the United States and the countries of the ~~European Economic Community~~ *Free European Trading Community,*

and shall advise the President of such findings.

(e) The exception to section 201 (b) (1) provided by subsection (a) shall not apply to any article referred to in Agricultural Handbook No. 143, United States Department of Agriculture, as issued in September 1959.

SEC. 212. AGRICULTURAL COMMODITIES.

In the case of any trade agreement with the ~~European Economic Community~~ *Free European Trading Community*, section 201 (b) (1) shall not apply to any article referred to in Agricultural Handbook No. 143, United States Department of Agriculture, as issued in September 1959, if before entering into such agreement the President determines that such agreement will tend to assure the maintenance or expansion of United States exports of the like article.

SEC. 213. TROPICAL AGRICULTURAL AND FORESTRY COMMODITIES.

(a) Section 201 (b) (1) shall not apply to any article if, before entering into the trade agreement covering such article, the President determines that—

(1) such article is a tropical agricultural or forestry commodity;

(2) the like article is not produced in significant quantities in the United States; and

(3) ~~the European Economic Community has made a commitment with respect to duties or other import restrictions which is likely to assure access for such article~~

~~to the markets of the European Economic Community~~ *the European Economic Community, and any country (not within the European Economic Community) which is included within the Free European Trading Community, have made commitments with respect to duties or other import restrictions which are likely to assure access for such article to the markets of the Free European Trading Community* which—

(A) is comparable to the access which such article will have to the markets of the United States, and

(B) will be afforded substantially without differential treatment as among free world countries of origin.

(b) For purposes of subsection (a), a "tropical agricultural or forestry commodity" is an agricultural or forestry commodity with respect to which the President determines that more than one-half of the world production is in the area of the world between 20 degrees north latitude and 20 degrees south latitude.

(c) Before the President makes a determination under subsection (a) with respect to any article, the Tariff Commission shall (upon request of the President) make findings as to—

(1) whether or not such article is an agricultural

or forestry commodity more than one-half of the world production of which is in the area of the world between 20 degrees north latitude and 20 degrees south latitude, and

(2) whether or not the like article is produced in significant quantities in the United States,

and shall advise the President of such findings.

CHAPTER 3—REQUIREMENTS CONCERNING NEGOTIATIONS

SEC. 221. TARIFF COMMISSION ADVICE.

(a) In connection with any proposed trade agreement under this title, the President shall from time to time publish and furnish the Tariff Commission with lists of articles which may be considered for modification or continuance of United States duties or other import restrictions, or continuance of United States duty-free or excise treatment. In the case of any article with respect to which consideration may be given to reducing the rate of duty below the 50 percent limitation contained in section 201(b)(1), the list shall specify the section or sections of this title pursuant to which such consideration may be given.

(b) Within 6 months after receipt of such a list, the Tariff Commission shall advise the President with respect to each article of its judgment as to the probable economic

effect of modifications of duties or other import restrictions on industries producing like or directly competitive articles, *so as to assist the President in making an informed judgment as to the impact that might be caused by such modifications on United States industry, agriculture, and labor.* ~~In the course of preparing such advice, the Tariff Commission shall, after reasonable notice, hold public hearings.~~

(c) In preparing its advice to the President, the Tariff Commission shall, to the extent practicable—

(1) investigate conditions, causes, and effects relating to competition between the foreign industries producing the articles in question and the domestic industries producing the like or directly competitive articles;

(2) analyze the production, trade, and consumption of each like or directly competitive article, taking into consideration employment, profit levels, and use of productive facilities with respect to the domestic industries concerned, and such other economic factors in such industries as it considers relevant, including prices, wages, sales, inventories, patterns of demand, capital investment, obsolescence of equipment, and diversification of production;

(3) describe the probable nature and extent of any significant change in employment, profit levels, use of productive facilities and such other conditions as it deems

relevant in the domestic industries concerned which it believes such modifications would cause; and

(4) make special studies, whenever deemed to be warranted, of particular proposed modifications affecting United States industry, agriculture, and labor.

(d) In preparing its advice to the President, the Tariff Commission shall, after reasonable notice, hold public hearings.

SEC. 222. ADVICE FROM DEPARTMENTS.

Before any trade agreement is entered into under this title, the President shall seek information and advice with respect to such agreement from the Departments of Agriculture, Commerce, Defense, Interior, Labor, State, and Treasury, and from such other sources as he may deem appropriate.

SEC. 223. PUBLIC HEARINGS.

In connection with any proposed trade agreement under this title, the President shall afford an opportunity for any interested person to present his views concerning any article on a list published pursuant to section 221, any article which should be so listed, any concession which should be sought by the United States, or any other matter relevant to such proposed trade agreement. For this purpose, the President shall designate an agency or an interagency committee which shall, after reasonable notice, hold public

hearings, shall prescribe regulations governing the conduct of such hearings, and shall furnish the President with a summary of such hearings.

SEC. 224. PREREQUISITE FOR OFFERS.

The President may make an offer for the modification or continuance of any duty or other import restriction, or continuance of duty-free or excise treatment, with respect to any article only after he has received advice concerning such article from the Tariff Commission under section 221 (b), or after the expiration of the relevant 6-month period provided for in that section, whichever first occurs, and only after the President has received a summary of the hearings at which an opportunity to be heard with respect to such article has been afforded under section 223.

SEC. 225. RESERVATION OF ARTICLES FROM NEGOTIATIONS.

(a) While there is in effect with respect to any article any action taken under—

(1) Section ~~232 or 351,~~ *232, 351, or 352,*

(2) section 2 (b) of the Act entitled "An Act to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended", approved July 1, 1954 (19 U.S.C., sec. 1352a), or

(3) section 7 of the Trade Agreements Extension Act of 1951 (19 U.S.C., sec. 1364),

the President shall reserve such article from negotiations under this title for the reduction of any duty or other import restriction or the elimination of any duty.

(b) During the ~~4-year~~ *5-year* period which begins on the date of the enactment of this Act, the President shall reserve an article (other than an article which, on the date of the enactment of this Act, was described in subsection (a)(3)) from negotiation under this title for the reduction of any duty or other import restriction or the elimination of any duty where—

(1) pursuant to section 7 of the Trade Agreements Extension Act of 1951 (or pursuant to a comparable Executive order), the Tariff Commission found by a majority of the Commissioners voting that such article was being imported in such increased quantities as to cause or threaten serious injury to an industry,

(2) such article is included in a list furnished to the Tariff Commission pursuant to section 221 (and has not been included in a prior list so furnished), and

(3) upon request on behalf of the industry, made not later than 60 days after the date of the publication of such list, the Tariff Commission finds and advises

the President that economic conditions in such industry have not substantially improved since the date of the report of the finding referred to in paragraph (1).

(c) In addition to the articles described by subsections (a) and (b), the President shall also so reserve any other article which he determines to be appropriate, taking into consideration the advice of the Tariff Commission under section 221 (b), any advice furnished to him under section 222, and the summary furnished to him under section 223.

SEC. 226. TRANSMISSION OF AGREEMENTS TO CONGRESS.

The President shall transmit promptly to each House of Congress a copy of each trade agreement entered into under this title, together with a statement, in the light of the advice of the Tariff Commission under section 221 (b) and of other relevant considerations, of his reasons for entering into the agreement.

CHAPTER 4—NATIONAL SECURITY

SEC. 231. PRODUCTS OF COMMUNIST COUNTRIES OR AREAS.

The President shall, as soon as practicable, suspend, withdraw, or prevent the application of the reduction, elimination, or continuance of any existing duty or other import restriction, or the continuance of any existing duty-free or excise treatment, proclaimed in carrying out any trade agreement under this title or under section 350 of the Tariff Act

of 1930, to products, whether imported directly or indirectly, of ~~any country or area dominated or controlled by Communism~~ *the Union of Soviet Socialist Republics, Communist China, and any other country or area dominated or controlled by the foreign government or foreign organization controlling the world Communist movement.*

SEC. 232. SAFEGUARDING NATIONAL SECURITY.

(a) No action shall be taken pursuant to section 201 (a) or pursuant to section 350 of the Tariff Act of 1930 to decrease or eliminate the duty or other import restriction on any article if the President determines that such reduction or elimination would threaten to impair the national security.

(b) Upon the request of the head of any department or agency, upon application of an interested party, or upon his own motion, the Director of the Office of Emergency Planning (hereinafter in this section referred to as the "Director") shall immediately make an appropriate investigation, in the course of which he shall seek information and advice from other appropriate departments and agencies, to determine the effects on the national security of imports of the article which is the subject of such request, application, or motion. If, as a result of such investigation, the Director is of the opinion that the said article is being imported into the United States in such quantities or under such circumstances as to threaten to impair the national

security, he shall promptly so advise the President, and, unless the President determines that the article is not being imported into the United States in such quantities or under such circumstances as to threaten to impair the national security as set forth in this section, he shall take such action, and for such time, as he deems necessary to adjust the imports of such article and its derivatives so that such imports will not so threaten to impair the national security.

(c) For the purposes of this section, the Director and the President shall, in the light of the requirements of national security and without excluding other relevant factors, give consideration to domestic production needed for projected national defense requirements, the capacity of domestic industries to meet such requirements, existing and anticipated availabilities of the human resources, products, raw materials, and other supplies and services essential to the national defense, the requirments of growth of such industries and such supplies and services including the investment, exploration, and development necessary to assure such growth, and the importation of goods in terms of their quantities, availabilities, character, and use as those affect such industries and the capacity of the United States to meet national security requirements. In the administration of this section, the Director and the President shall further recognize the close relation of the economic welfare of the Nation to

our national security, and shall take into consideration the impact of foreign competition on the economic welfare of individual domestic industries; and any substantial unemployment, decrease in revenues of government, loss of skills or investment, or other serious effects resulting from the displacement of any domestic products by excessive imports shall be considered, without excluding other factors, in determining whether such weakening of our internal economy may impair the national security.

(d) A report shall be made and published upon the disposition of each request, application, or motion under subsection (b). The Director shall publish procedural regulations to give effect to the authority conferred on him by subsection (b).

CHAPTER 5—ADMINISTRATIVE PROVISIONS

SEC. 241. SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS.

(a) The President shall appoint, by and with the advice and consent of the Senate, a Special Representative for Trade Negotiations, who shall be the chief representative of the United States for each *general multilateral* negotiation under this title and for such other negotiations as in the President's judgment require that the Special Representative be the chief representative of the United ~~States.~~ *States, and who shall be*

the chairman of the organization established pursuant to section 242(a). The Special Representative for Trade Negotiations shall hold office at the pleasure of the President, shall be entitled to receive the same compensation and allowances as a chief of mission, *and* shall have the rank of ambassador extraordinary and plenipotentiary~~, and shall be an ex-officio member of the organization established pursuant to section 242(a)~~.

(b) The Special Representative for Trade Negotiations shall, in the performance of his functions under subsection (a), seek information and advice with respect to each negotiation from representatives of industry, agriculture, and labor, and from such agencies ~~of the United States~~ as he deems appropriate.

SEC. 242. INTERAGENCY TRADE ORGANIZATION.

(a) The President shall establish an interagency organization to assist him in carrying out the functions vested in him by this title and ~~chapter 4 of title III~~ *sections 351 and 352.* Such organization shall ~~have as its chairman a Cabinet officer selected by the President, and shall,~~ *in addition to the Special Representative for Trade Negotiations,* be composed of the heads of such departments and of such other officers as the President shall designate. It shall meet ~~periodically~~ at such times and with respect to such matters as the President or the chairman of the organization shall direct. The organ-

ization may invite the participation in its activities of any agency not represented in the organization when matters of interest to such agency are under consideration.

(b) In assisting the President, the organization shall—

(1) make recommendations to the President on basic policy issues arising in the administration of the trade agreements program,

(2) make recommendations to the President as to what action, if any, he should take on reports with respect to tariff adjustment submitted to him by the Tariff Commission under section 301 (e),

(3) advise the President of the results of hearings concerning ~~unjustifiable~~ foreign import restrictions held pursuant to section ~~252(c)~~ *252(d)*, and recommend appropriate action with respect thereto, and

(4) perform such other functions with respect to the trade agreements program as the President may from time to time designate.

(c) The organization shall, to the maximum extent practicable, draw upon the resources of the agencies represented in the organization, as well as such other agencies as it may determine, including the Tariff Commission. In addition, the President may establish by regulation such procedures and committees as he may determine to be necessary to enable the organization to provide for the conduct of

hearings pursuant to section ~~252(c)~~ *252(d)*, and for the carrying out of other functions assigned to the organization pursuant to this section.

SEC. 243. CONGRESSIONAL DELEGATES TO NEGOTIATIONS.

Before each negotiation under this title, the President shall, upon the recommendation of the Speaker of the House of Representatives, select two members (not of the same political party) of the Committe on Ways and Means, and shall, upon the recommendation of the President of the Senate, select two members (not of the same political party) of the Committee on Finance, who shall be accredited as members of the United States delegation to such negotiation.

CHAPTER 6—GENERAL PROVISIONS

SEC. 251. MOST-FAVORED-NATION PRINCIPLE.

Except as otherwise provided in this title, *in section 350(b) of the Tariff Act of 1930, or in section 401(a) of the Tariff Classification Act of 1962,* any duty or other import restriction or duty-free treatment proclaimed in carrying out any trade agreement under this title or section 350 of the Tariff Act of 1930 shall apply to products of all foreign countries, whether imported directly or indirectly.

SEC. 252. FOREIGN IMPORT RESTRICTIONS.

(a) Whenever ~~unjustifiable~~ foreign import restrictions impair the value of tariff commitments made to the United

States, *unjustifiably* oppress the commerce of the United States, or prevent the expansion of trade on a mutually advantageous basis, the President shall—

(1) take all appropriate and feasible steps within his power to eliminate such restrictions, ~~and~~

(2) refrain from negotiating the reduction or elimination of any United States import restriction under section 201 (a) in order to obtain the reduction or elimination of any such ~~restrictions.~~ *restrictions, and*

(3) notwithstanding any other provision of law or any provision of any trade agreement, impose duties or other import restrictions on the products of any foreign country or instrumentality establishing or maintaining such foreign import restrictions against United States agricultural products, to the extent he deems such duties and other import restrictions necessary to prevent the establishment or obtain the removal of such foreign import restrictions and to provide access for United States agricultural products to the markets of such country or instrumentality on an equitable basis.

(b) Whenever a foreign country or instrumentality the products of which receive benefits of trade agreement concessions made by the United States—

(1) maintains nontariff trade restrictions, including ~~unlimited~~ variable import fees, which substantially

burden United States commerce in a manner inconsistent with provisions of trade agreements, or

(2) engages in discriminatory or other acts (including tolerance of international cartels) or policies unjustifiably restricting United States commerce,

the President shall, to the extent that such action is consistent with the purposes of section 102—

(A) suspend, withdraw, or prevent the application of benefits of trade ~~agreements~~ *agreement* concessions to products of such country or instrumentality, or

(B) refrain from proclaiming benefits of trade agreement concessions to carry out a trade agreement with such country or instrumentality.

(c) Whenever a foreign country or instrumentality, the products of which receive benefits of trade agreement concessions made by the United States, maintains unreasonable import restrictions which either directly or indirectly substantially burden United States commerce, the President may, to the extent that such action is consistent with the purposes of section 102, and having due regard for the international obligations of the United States—

(1) suspend, withdraw, or prevent the application of benefits of trade agreement concessions to products of such country or instrumentality, or

(2) refrain from proclaiming benefits of trade agree-

ment concessions to carry out a trade agreement with such country or instrumentality.

~~(c)~~ *(d)* The President shall provide an opportunity for the presentation of views concerning ~~unjustifiable~~ foreign import restrictions *which are referred to in subsections (a), (b), and (c) and are* maintained against United States commerce. Upon request by any interested person, the President shall, through the organization established pursuant to section 242(a), provide for appropriate public hearings with respect to such restrictions after reasonable notice and provide for the issuance of regulations concerning the conduct of such hearings.

SEC. 253. STAGING REQUIREMENTS.

(a) Except as otherwise provided in this section and in section 254, the aggregate reduction in the rate of duty on any article which is in effect on any day pursuant to a trade agreement under this title shall not exceed the aggregate reduction which would have been in effect on such day if—

(1) one-fifth of the total reduction under such agreement for such article had taken effect on the date of the first proclamation pursuant to section 201(a) to carry out such trade agreement, and

(2) the remaining four-fifths of such total reduction had taken effect in four equal installments at 1-year intervals after the date referred to in paragraph (1).

(b) Subsection (a) shall not apply to any article with respect to which the President has made a determination under section 213 (a).

(c) In the case of an article the rate of duty on which has been or is to be reduced pursuant to a prior trade agreement, no reduction shall take effect pursuant to a trade agreement entered into under section 201 (a) before the expiration of 1 year after the taking effect of the final reduction pursuant to such prior agreement.

(d) If any part of a reduction takes effect, then any time thereafter during which such part of the reduction is not in effect by reason of legislation of the United States or action thereunder shall be excluded in determining—

(1) the 1-year intervals referred to in subsection (a) (2), and

(2) the expiration of the 1 year referred to in subsection (c).

SEC. 254. ROUNDING AUTHORITY.

If the President determines that such action will simplify the computation of the amount of duty imposed with respect to an article, he may exceed the limitation provided by section 201 (b) (1) or 253 by not more than whichever of the following is lesser:

(1) the difference between the limitation and the next lower whole number, or

(2) one-half of 1 percent ad valorem or an amount the ad valorem equivalent of which is one-half of 1 percent.

SEC. 255. TERMINATION.

(a) Every trade agreement entered into under this title shall be subject to termination or withdrawal, upon due notice, at the end of a period specified in the agreement. Such period shall be not more than 3 years from the date on which the agreement becomes effective. If the agreement is not terminated or withdrawn from at the end of the period so specified, it shall be subject to termination or withdrawal thereafter upon not more than 6 months' notice.

(b) The President may at any time terminate, in whole or in part, any proclamation made under this title.

SEC. 256. DEFINITIONS.

For purposes of this title—

~~(1) The term "European Economic Community" means the instrumentality known by such name or any successor thereto.~~

~~(2) The countries of the European Economic Community as of any date shall be those countries which on such date are agreed to achieve a common external tariff through the European Economic Community.~~

~~(3) The term "agreement with the European Eco-~~

~~nomic Community" means an agreement to which the United States and all countries of the European Economic Community (determined as of the date such agreement is entered into) are parties. For purposes of the preceding sentence, each country for which the European Economic Community signs an agreement shall be treated as a party to such agreement.~~

(1) The term "Free European Trading Community" means (A) the European Economic Community and (B) any country, designated by the President, which is a member of the European Free Trade Association.

(2) The term "European Economic Community" means the instrumentality known by such name or any successor thereto. The countries of the European Economic Community as of any date shall be those countries which on such date are agreed to achieve a common external tariff through the European Economic Community.

(3) The term "European Free Trade Association" means the organization known by such name or any successor thereto. The countries of the European Free Trade Association as of any date shall be those countries which are full members of the Association on such date.

(4) The term "agreement with the Free European Trading Community" means an agreement to which the

United States and all countries of the Free European Trading Community (determined as of the date such agreement is entered into) are parties. Each such country for which the European Economic Community signs an agreement shall, for the purposes of this paragraph, be treated as a party to such agreement.

~~(4)~~ *(5)* The term "existing on July 1, 1962", as applied to a rate of duty, refers to the lowest nonpreferential rate of duty (however established, and even though temporarily suspended by Act of Congress or otherwise) existing on such date or (if lower) the lowest nonpreferential rate to which the United States is committed on such date and which may be proclaimed under section 350 of the Tariff Act of 1930.

~~(5)~~ *(6)* The term "existing on July 1, 1934", as applied to a rate of duty, refers to the rate of duty (however established, and even though temporarily suspended by Act of Congress or otherwise) existing on such date.

~~(6)~~ *(7)* The term "existing" without the specification of any date, when used with respect to any matter relating to entering into, or any proclamation to carry out, a trade agreement, means existing on the day on which such trade agreement is entered into, *and when referring to a rate of duty, refers to the rate of duty (how-*

ever established, and even though temporarily suspended by Act of Congress or otherwise) existing on such date.

~~(7)~~*(8)* The term "ad valorem equivalent" means the ad valorem equivalent of a specific rate or, in the case of a combination of rates including a specific rate, the sum of the ad valorem equivalent of the specific rate and of the ad valorem rate. The ad valorem equivalent shall be determined by the President on the basis of the value of imports of the article concerned during a period determined by him to be representative. In determining the value of imports, the President shall utilize, to the maximum extent practicable, the standards of valuation contained in section 402 or 402a of the Tariff Act of 1930 (19 U.S.C., sec. 1401a or 1402) applicable to the article concerned during such representative period.

SEC. 257. RELATION TO OTHER LAWS.

(a) The first sentence of subsection (b) of section 350 of the Tariff Act of 1930 is amended by striking out "this section" each place it appears and inserting in lieu thereof "this section or the Trade Expansion Act of 1962". The second sentence of such subsection (b) is amended by striking out "this Act" and inserting in lieu thereof "this Act or the Trade Expansion Act of 1962". The third sentence of such subsection (b) is amended by striking out "1955,"

in paragraph (2) and inserting in lieu thereof "1955, and before July 1, 1962," and by adding at the end thereof the following new paragraph:

"(3) In order to carry out a foreign trade agreement entered into after June 30, 1962, and before July 1, 1967, below the lowest rate permissible by applying title II of the Trade Expansion Act of 1962 to the rate of duty (however established, and even though temporarily suspended by Act of Congress or otherwise) existing on July 1, 1962, with respect to such product."

(b) Subsections (a) (5) and (e) of section 350 of the Tariff Act of 1930 are repealed.

(c) For purposes only of entering into trade agreements pursuant to the notices of intention to negotiate published in the Federal Register of May 28, 1960, and the Federal Register of November 23, 1960, the period during which the President is authorized to enter into foreign trade agreements under section 350 of the Tariff Act of 1930 is hereby extended from the close of June 30, 1962, until the close of December 31, 1962.

(d) The second and third sentences of section 2 (a) of the Act entitled "An Act to amend the Tariff Act of 1930", approved June 12, 1934, as amended (19 U.S.C., sec.

1352 (a)), are each amended by striking out "this Act" and inserting in lieu thereof "this Act or the Trade Expansion Act of 1962".

(e) (1) Sections 5, 6, 7, and 8 (a) of the Trade Agreements Extension Act of 1951 are repealed.

(2) Action taken by the President under section 5 of such Act and in effect on the date of the enactment of this Act shall be considered as having been taken by the President under section 231.

(3) Any investigation by the Tariff Commission under section 7 of such Act which is in progress on the date of the enactment of this Act shall be continued under section 301 as if the application by the interested party were a petition under such section for tariff adjustment under section 351. For purposes of section 301 (f), such petition shall be treated as having been filed on the date of the enactment of this Act.

(f) Section 2 of the Act entitled "An Act to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended", approved July 1, 1954, is repealed. Any action (including any investigation begun) under such section 2 before the date of the enactment of this Act shall be considered as having been taken or begun under section 232.

(g)(1) Section 102(1) of the Tariff Classification

Act of 1962 is amended by striking out "of schedules 1 to 7, inclusive,".

(2) Section 203 of the Tariff Classification Act of 1962 is amended to read as follows:

"SEC. 203. For purposes of applying section 350 of the Tariff Act of 1930, as amended, and the Trade Expansion Act of 1962 with respect to the Tariff Schedules of the United States—

"(1) The rate of duty in rate column numbered 2 for each item in schedules 1 to 7, inclusive, of the Tariff Schedules of the United States, shall be treated as the rate of duty existing on July 1, 1934.

"(2) The lowest preferential or nonpreferential rate of duty in rate column numbered 1 for each item in schedules 1 to 7, inclusive, of the Tariff Schedules of the United States on the effective date provided for in section 501(a) of this Act shall be treated as the preferential or nonpreferential rate of duty, respectively, existing on July 1, 1962; except that with respect to any article the rate for which in schedules 1 to 7 has been changed by Presidential proclamation after June 30, 1962, the rate to be regarded as existing on July 1, 1962, shall be the rate which the Commission specifically declares, in a supplemental report made pursuant to section 101(c) of this Act, to be the rate which, in its

judgment, conforms to the fullest extent practicable to the rate regarded as existing on July 1, 1962, under section 256(5) of the Trade Expansion Act of 1962.

"(3) Legislation entering into force after the effective date provided for in section 501(a) of this Act which results in the permanent reclassification of any article without specifying the rate of duty applicable thereto, and proclamations under section 202(c) of this Act, shall be considered as having been in effect since June 30, 1962."

(h) Nothing contained in this Act shall be construed to affect in any way the provisions of section 22 of the Agricultural Adjustment Act, or to apply to any import restriction heretofore or hereafter imposed under such section.

SEC. 258. REFERENCES.

All provisions of law (other than this Act and the Trade Agreements Extension Act of 1951) in effect after June 30, 1962, referring to section 350 of the Tariff Act of 1930, to that section as amended, to the Act entitled "An Act to amend the Tariff Act of 1930", approved June 12, 1934, to that Act as amended, or to agreements entered into, or proclamations issued, under any of such provisions, shall be construed, unless clearly precluded by the context, to refer also

to this Act, or to agreements entered into or proclamations issued, pursuant to this Act.

TITLE III—TARIFF ADJUSTMENT AND OTHER ADJUSTMENT ASSISTANCE

CHAPTER 1—ELIGIBILITY FOR ASSISTANCE

SEC. 301. TARIFF COMMISSION INVESTIGATIONS AND REPORTS.

~~(a) (1) Petitions for tariff adjustment under section 351 or for determinations of eligibility to apply for adjustment assistance under chapter 2 or 3 may be filed with the Tariff Commission by firms, groups of workers, or industries. In the case of a firm, such petition may be filed by the firm or its representative. In the case of a group of workers, such petition may be filed by the workers or by their certified or recognized union or other duly authorized representative. In the case of an industry, such petition may be filed by a trade association, firm, certified or recognized union, or other representative.~~

(a) (1) A petition for tariff adjustment under section 351 may be filed with the Tariff Commission by a trade association, firm, certified or recognized union, or other representative of an industry.

(2) A petition for a determination of eligibility to apply for adjustment assistance under chapter 2 may be filed with the Tariff Commission by a firm or its representative, and a petition for a determination of eligibility to apply for adjustment assistance under chapter 3 may be filed with the Tariff Commission by a group of workers or by their certified or recognized union or other duly authorized representative.

~~(2)~~ *(3)* Whenever a petition is filed under this subsection, the Tariff Commission shall transmit a copy thereof to the Secretary of Commerce.

(b) (1) Upon the request of the President, upon resolution of either the Committee on Finance of the Senate or the Committee on Ways and Means of the House of Representatives, upon its own motion, or upon the filing of a petition under subsection (a) (1), the Tariff Commission shall promptly make an investigation to determine whether, as a result *in major part* of concessions granted under trade agreements, an article is being imported into the United States in such increased quantities as to cause, or threaten to cause, serious injury to the domestic industry producing an article which is like or directly competitive with the imported article.

(2) In making its determination under paragraph (1), the Tariff Commission shall take into account all economic

factors which it considers relevant, including idling of productive facilities, inability to operate at a *level of reasonable* profit, and unemployment or underemployment.

(3) For purposes of paragraph (1), increased imports shall be considered to cause, or threaten to cause, serious injury to the domestic industry concerned when the Tariff Commission finds that such increased imports have been the major factor in causing, or threatening to cause, such injury.

~~(3)~~ *(4)* No investigation for the purpose of paragraph (1) shall be made, upon petition filed under subsection (a) (1), with respect to the same subject matter as a previous investigation under paragraph (1), unless one year has elapsed since the Tariff Commission made its report to the President of the results of such previous investigation.

(c) (1) In the case of a petition by a firm for a determination of eligibility to apply for adjustment assistance under chapter 2, the Tariff Commission ~~shall, in addition to making an industry determination under subsection (b),~~ *shall promptly make an investigation to* determine whether, as a result *in major part* of concessions granted under trade agreements, an article like or directly competitive with an article produced by the firm is being imported into the United States in such increased quantities as to cause, or threaten to cause, serious injury to such firm. In making its determination under this paragraph, the Tariff Com-

mission shall take into account all economic factors which it considers relevant, including idling of productive facilities of the firm, inability of the firm to operate at a *level of reasonable* profit, and unemployment or underemployment in the firm.

(2) In the case of a petition by a group of workers for a determination of eligibility to apply for adjustment assistance under chapter 3, the Tariff Commission ~~shall, in addition to making an industry determination under subsection (b),~~ *shall promptly make an investigation to* determine whether, as a result *in major part* of concessions granted under trade agreements, an article like or directly competitive with an article produced by such workers' firm, or an appropriate subdivision thereof, is being imported into the United States in such increased quantities as to cause, or threaten to cause, unemployment or underemployment of a significant number or proportion of the workers of such firm or subdivision.

(3) For purposes of paragraphs (1) and (2), increased imports shall be considered to cause, or threaten to cause, serious injury to a firm or unemployment or underemployment, as the case may be, when the Tariff Commission finds that such increased imports have been the major factor in causing, or threatening to cause, such injury or unemployment or underemployment.

~~(3) The Tariff Commission may provide that, during a period beginning not earlier than 30 days after the publication of notice of hearings with respect to an industry and ending not later than the date of the report of the Tariff Commission with respect thereto under subsection (f)(2), no petition may be filed under subsection (a)(1) by a firm or group of workers in such industry with respect to the same imported article and the same domestic article.~~

(d) *(1)* In the course of any investigation under ~~this section~~ *subsection (b)(1)*, the Tariff Commission shall, after reasonable notice, hold public hearings and shall afford interested parties opportunity to be present, to produce evidence, and to be heard at such hearings.

(2) In the course of any investigation under subsection (c)(1) or (c)(2), the Tariff Commission shall, after reasonable notice, hold public hearings if requested by the petitioner, or if, within 10 days after notice of the filing of the petition, a hearing is requested by any other party showing a proper interest in the subject matter of the investigation, and shall afford such parties an opportunity to be present, to produce evidence, and to be heard at such hearings.

(e) Should the Tariff Commission find with respect to any article, as the result of its investigation, the serious injury or threat thereof described in subsection (b), it shall find the amount of the increase in, or imposition of, any

duty or other import restriction on such article which is necessary to prevent or remedy such injury and shall include such finding in its report to the President.

(f) (1) The Tariff Commission shall report to the President the results of each investigation under this section and include in each report any dissenting or separate views. The Tariff Commission shall furnish to the President a transcript of the hearings and any briefs which may have been submitted in connection with each investigation.

(2) The report of the Tariff Commission of its determination under subsection (b) shall be made at the earliest practicable time, but not later than ~~120 days~~ *6 months* after the date on which the petition is filed (or the date on which the request or resolution is received or the motion is adopted, as the case may be) ~~, unless the President extends such time for an additional period, which shall not exceed 30 days~~. Upon making such report to the President, the Tariff Commission shall promptly make public such report, and shall cause a summary thereof to be published in the Federal Register.

(3) The report of the Tariff Commission of its determination under subsection (c) (1) or (c) (2) with respect to any firm or group of workers shall be made at the earliest practicable time, but not later than 60 days after the date on which the petition is filed.

(g) Except as provided in section 257(e)(3), no petition shall be filed under subsection (a), and no request, resolution, or motion shall be made under subsection (b), prior to the close of the 60th day after the date of the enactment of this Act.

SEC. 302. PRESIDENTIAL ACTION AFTER TARIFF COMMISSION DETERMINATION.

(a) After receiving a report from the Tariff Commission containing an affirmative finding under section 301 (b) with respect to any industry, the President may—

(1) provide tariff adjustment for such industry pursuant to section 351 *or 352*,

(2) provide, with respect to such industry, that its firms may request the Secretary of Commerce for certifications of eligibility to apply for adjustment assistance under chapter 2,

(3) provide, with respect to such industry, that its workers may request the Secretary of Labor for certifications of eligibility to apply for adjustment assistance under chapter 3, or

(4) take any combination of such actions.

(b) (1) The Secretary of Commerce shall certify, as eligible to apply for adjustment assistance under chapter 2, any firm in an industry with respect to which the President has acted under subsection (a) (2), upon a showing by such

firm to the satisfaction of the Secretary of Commerce that the increased imports (which the Tariff Commission has determined to result from concessions granted under trade agreements) have caused serious injury or threat thereof to such firm.

(2) The Secretary of Labor shall certify, as eligible to apply for adjustment assistance under chapter 3, any group of workers in an industry with respect to which the President has acted under subsection (a) (3), upon a showing by such group of workers to the satisfaction of the Secretary of Labor that the increased imports (which the Tariff Commission has determined to result from concessions granted under trade agreements) have caused or threatened to cause unemployment or underemployment of a significant number or proportion of workers of such workers' firm or subdivision thereof.

(c) After receiving a report from the Tariff Commission containing an affirmative finding under section 301 (c) with respect to any firm or group of workers, the President may certify that such firm or group of workers is eligible to apply for adjustment assistance.

(d) Any certification under subsection (b) or (c) that a group of workers is eligible to apply for adjustment assistance shall specify the date on which the unemployment or underemployment began or threatens to begin.

(e) Whenever the President determines, with respect to any certification of the eligibility of a group of workers, that separations from the firm or subdivision thereof are no longer attributable to the conditions specified in section 301 (c) (2) or in subsection (b) (2) of this section, he shall terminate the effect of such certification. Such termination shall apply only with respect to separations occurring after the termination date specified by the President.

CHAPTER 2—ASSISTANCE TO FIRMS

SEC. 311. CERTIFICATION OF ADJUSTMENT PROPOSALS.

(a) A firm certified under section 302 as eligible to apply for adjustment assistance may, at any time within 2 years after the date of such certification, file an application with the Secretary of Commerce for adjustment assistance under this chapter. Within a reasonable time after filing its application, the firm shall present a proposal for its economic adjustment.

(b) Adjustment assistance under this chapter consists of technical assistance, financial assistance, and tax assistance, which may be furnished singly or in combination. Except as provided in subsection (c), no adjustment assistance shall be provided to a firm under this chapter until its adjustment proposal shall have been certified by the Secretary of Commerce—

(1) to be reasonably calculated materially to contribute to the economic adjustment of the firm,

(2) to give adequate consideration to the interests of the workers of such firm adversely affected by actions taken in carrying out trade agreements, and

(3) to demonstrate that the firm will make all reasonable efforts to use its own resources for economic development.

(c) In order to assist a firm which has applied for adjustment assistance under this chapter in preparing a sound adjustment proposal, the Secretary of Commerce may furnish technical assistance to such firm prior to certification of its adjustment proposal.

(d) Any certification made pursuant to this section shall remain in force only for such period as the Secretary of Commerce may prescribe.

SEC. 312. USE OF EXISTING AGENCIES.

(a) The Secretary of Commerce shall refer each certified adjustment proposal to such agency or agencies as he determines to be appropriate to furnish the technical and financial assistance necessary to carry out such proposal.

(b) Upon receipt of a certified adjustment proposal, each agency concerned shall promptly—

(1) examine the aspects of the proposal relevant to its functions, and

(2) notify the Secretary of Commerce of its determination as to the technical and financial assistance it is prepared to furnish to carry out the proposal.

(c) Whenever and to the extent that any agency to which an adjustment proposal has been referred notifies the Secretary of Commerce of its determination not to furnish technical or financial assistance, and if the Secretary of Commerce determines that such assistance is necessary to carry out the adjustment proposal, he may furnish adjustment assistance under sections 313 and 314 to the firm concerned.

(d) There are hereby authorized to be appropriated to the Secretary of Commerce such sums as may be necessary from time to time to carry out his functions under this chapter in connection with furnishing adjustment assistance to firms, which sums are authorized to be appropriated to remain available until expended.

SEC. 313. TECHNICAL ASSISTANCE.

(a) Upon compliance with section 312(c), the Secretary of Commerce may provide to a firm, on such terms and conditions as he determines to be appropriate, such technical

assistance as in his judgment will materially contribute to the economic adjustment of the firm.

(b) To the maximum extent practicable, the Secretary of Commerce shall furnish technical assistance under this section and section 311(c) through existing agencies, and otherwise through private individuals, firms, or institutions.

(c) The Secretary of Commerce shall require a firm receiving technical assistance under this section or section 311(c) to share the cost thereof to the extent he determines to be appropriate.

SEC. 314. FINANCIAL ASSISTANCE.

(a) Upon compliance with section 312(c), the Secretary of Commerce may provide to a firm, on such terms and conditions as he determines to be appropriate, such financial assistance in the form of guarantees of loans, agreements for deferred participations in loans, or loans, as in his judgment will materially contribute to the economic adjustment of the firm. The assumption of an outstanding indebtedness of the firm, with or without recourse, shall be considered to be the making of a loan for purposes of this section.

(b) Guarantees, agreements for deferred participations, or loans shall be made under this section only for the purpose of making funds available to the firm—

(1) for acquisition, construction, installation, modernization, development, conversion, or expansion of

land, plant, buildings, equipment, facilities, or machinery, or

(2) in cases determined by the Secretary of Commerce to be exceptional, to supply working capital.

(c) To the maximum extent practicable, the Secretary of Commerce shall furnish financial assistance under this section through agencies furnishing financial assistance under other law.

SEC. 315. CONDITIONS FOR FINANCIAL ASSISTANCE.

(a) No loan shall be guaranteed and no agreement for deferred participation in a loan shall be made by the Secretary of Commerce in an amount which exceeds 90 percent of that portion of the loan made for purposes specified in section 314(b).

(b) (1) Any loan made or deferred participation taken up by the Secretary of Commerce shall bear interest at a rate not less than the greater of—

(A) 4 percent per annum, or

(B) a rate determined by the Secretary of the Treasury for the year in which the loan is made or the agreement for such deferred participation is entered into.

(2) The Secretary of the Treasury shall determine annually the rate referred to in paragraph (1) (B), taking into consideration the current average market yields on outstanding interest-bearing marketable public debt obligations

of the United States of maturities comparable to those of the loans outstanding under section 314.

(c) Guarantees or agreements for deferred participation shall be made by the Secretary of Commerce only with respect to loans bearing interest at a rate which he determines to be reasonable. In no event shall the guaranteed portion of any loan, or the portion covered by an agreement for deferred participation, bear interest at a rate more than 1 percent per annum above the rate prescribed by subsection (b) (determined when the guarantee is made or the agreement is entered into), unless the Secretary of Commerce shall determine that special circumstances justify a higher rate, in which case such portion of the loan shall bear interest at a rate not more than 2 percent per annum above such prescribed rate.

(d) The Secretary of Commerce shall make no loan or guarantee having a maturity in excess of 25 years, including renewals and extensions, and shall make no agreement for deferred participation in a loan which has a maturity in excess of 25 years, including renewals and extensions. Such limitation on maturities shall not, however, apply to—

(1) securities or obligations received by the Secretary of Commerce as claimant in bankruptcy or equitable reorganization, or as creditor in other proceedings attendant upon insolvency of the obligor, or

(2) an extension or renewal for an additional period not exceeding 10 years, if the Secretary of Commerce determines that such extension or renewal is reasonably necessary for the orderly liquidation of the loan.

(e) No financial assistance shall be provided under section 314 unless the Secretary of Commerce determines that such assistance is not otherwise available to the firm, from sources other than the United States, on reasonable terms, and that there is reasonable assurance of repayment by the borrower.

(f) The Secretary of Commerce shall maintain operating reserves with respect to anticipated claims under guarantees and under agreements for deferred participation made under section 314. Such reserves shall be considered to constitute obligations for purposes of section 1311 of the Supplemental Appropriation Act, 1955 (31 U.S.C., sec. 200).

SEC. 316. ADMINISTRATION OF FINANCIAL ASSISTANCE.

(a) In making and administering guarantees, agreements for deferred participation, and loans under section 314, the Secretary of Commerce may—

(1) require security for any such guarantee, agreement, or loan, and enforce, waive, or subordinate such security;

(2) assign or sell at public or private sale, or otherwise dispose of, upon such terms and conditions and for such consideration as he shall determine to be reasonable, any evidence of debt, contract, claim, personal property, or security assigned to or held by him in connection with such guarantees, agreements, or loans, and collect, compromise, and obtain deficiency judgments with respect to all obligations assigned to or held by him in connection with such guarantees, agreements, or loans until such time as such obligations may be referred to the Attorney General for suit or collection;

(3) renovate, improve, modernize, complete, insure, rent, sell, or otherwise deal with, upon such terms and conditions and for such consideration as he shall determine to be reasonable, any real or personal property conveyed to or otherwise acquired by him in connection with such guarantees, agreements, or loans;

(4) acquire, hold, transfer, release, or convey any real or personal property or any interest therein whenever deemed necessary or appropriate, and execute all legal documents for such purposes; and

(5) exercise all such other powers and take all such other acts as may be necessary or incidental to the carrying out of functions pursuant to section 314.

(b) Any mortage acquired as security under subsection (a) shall be recorded under applicable State law.

SEC. 317. TAX ASSISTANCE.

(a) If—

(1) to carry out an adjustment proposal of a firm certified pursuant to section 311, such firm applies for tax assistance under this section within 24 months after the close of a taxable year and alleges in such application that it has sustained a net operating loss for such taxable year,

(2) the Secretary of Commerce determines that any such alleged loss for such taxable year arose predominantly out of the carrying on of a trade or business which was seriously injured, during such year, by the increased imports which the Tariff Commission has determined to result from concessions granted under trade agreements, and

(3) the Secretary of Commerce determines that tax assistance under this section will materially contribute to the economic adjustment of the firm,

then the Secretary of Commerce shall certify such determinations with respect to such firm for such taxable year. No determination or certification under this subsection shall consti-

tute a determination of the existence or amount of any net operating loss for purposes of section 172 of the Internal Revenue Code of 1954.

(b) Subsection (b) of section 172 of the Internal Revenue Code of 1954 (relating to net operating loss carrybacks and carryovers) is amended to read as follows:

"(b) NET OPERATING LOSS CARRYBACKS AND CARRYOVERS.—

"(1) YEARS TO WHICH LOSS MAY BE CARRIED.—A net operating loss for any taxable year ending after December 31, 1957, shall be—

"(A) except as provided in subparagraph (B), a net operating loss carryback to each of the 3 taxable years preceding the taxable year of such loss,

"(B) in the case of a taxpayer with respect to a taxable year ending on or after December 31, 1962, for which a certification has been issued under section 317 of the Trade Expansion Act of 1962, a net operating loss carryback to each of the 5 taxable years preceding the taxable year of such loss, and

"(C) a net operating loss carryover to each of the 5 taxable years following the taxable year of such loss.

"(2) AMOUNT OF CARRYBACKS AND CARRYOVERS.—Except as provided in subsection (i), the en-

tire amount of the net operating loss for any taxable year (hereinafter in this section referred to as the 'loss year') shall be carried to the earliest of the taxable years to which (by reason of paragraph (1)) such loss may be carried. The portion of such loss which shall be carried to each of the other taxable years shall be the excess, if any, of the amount of such loss over the sum of the taxable income for each of the prior taxable years to which such loss may be carried. For purposes of the preceding sentence, the taxable income for any such prior taxable year shall be computed—

"(A) with the modifications specified in subsection (d) other than paragraphs (1), (4), and (6) thereof; and

"(B) by determining the amount of the net operating loss deduction without regard to the net operating loss for the loss year or for any taxable year thereafter,

and the taxable income so computed shall not be considered to be less than zero.

"(3) SPECIAL RULES.—

"(A) Paragraph (1) (B) shall apply only if—

"(i) there has been filed, at such time and in such manner as may be prescribed by the

Secretary or his delegate, a notice of filing of the application under section 317 of the Trade Expansion Act of 1962 for tax assistance, and, after its issuance, a copy of the certification under such section, and

"(ii) the taxpayer consents in writing to the assessment, within such period as may be agreed upon with the Secretary or his delegate, of any deficiency for any year to the extent attributable to the disallowance of a deduction previously allowed with respect to such net operating loss, even though at the time of filing such consent the assessment of such deficiency would otherwise be prevented by the operation of any law or rule of law.

"(B) In the case of—

"(i) a partnership and its partners, or

"(ii) an electing small business corporation under subchapter S and its shareholders,

paragraph (1) (B) shall apply as determined under regulations prescribed by the Secretary or his delegate. Such paragraph shall apply to a net operating loss of a partner or such a shareholder only if it arose predominantly from losses in respect of which

certifications under section 317 of the Trade Expansion Act of 1962 were filed under this section."

(c) Subsection (h) of section 6501 of the Internal Revenue Code of 1954 (relating to limitations on assessment and collection in the case of net operating loss carrybacks) is amended by inserting before the period: ", or within 18 months after the date on which the taxpayer files in accordance with section 172(b)(3) a copy of the certification (with respect to such taxable year) issued under section 317 of the Trade Expansion Act of 1962, whichever is later".

(d) Section 6511(d)(2)(A) of the Internal Revenue Code of 1954 (relating to special period of limitation on credit or refund with respect to net operating loss carrybacks) is amended to read as follows:

"(A) PERIOD OF LIMITATION.—If the claim for credit or refund relates to an overpayment attributable to a net operating loss carryback, in lieu of the 3-year period of limitation prescribed in subsection (a), the period shall be that period which ends with the expiration of the 15th days of the 40th month (or the 39th month, in the case of a corporation) following the end of the taxable year of the net operating loss which results in such carryback

or the period prescribed in subsection (c) in respect of such taxable year, whichever expires later; except that—

"(i) with respect to an overpayment attributable to a net operating loss carryback to any year on account of a certification issued to the taxpayer under section 317 of the Trade Expansion Act of 1962, the period shall not expire before the expiration of the sixth month following the month in which such certification is issued to the taxpayer, and

"(ii) with respect to an overpayment attributable to the creation of, or an increase in, a net operating loss carryback as a result of the elimination of excessive profits by a renegotiation (as defined in section 1481 (a) (1) (A)), the period shall not expire before September 1, 1959, or the expiration of the twelfth month following the month in which the agreement or order for the elimination of such excessive profits becomes final, whichever is the later.

In the case of such a claim, the amount of the credit or refund may exceed the portion of the tax paid within the period provided in subsection (b) (2) or (c), whichever is applicable, to the extent of

the amount of the overpayment attributable to such carryback."

SEC. 318. PROTECTIVE PROVISIONS.

(a) Each recipient of adjustment assistance under section 313, 314, or 317 shall keep records which fully disclose the amount and disposition by such recipient of the proceeds, if any, of such adjustment assistance, and which will facilitate an effective audit. The recipient shall also keep such other records as the Secretary of Commerce may prescribe.

(b) The Secretary of Commerce and the Comptroller General of the United States shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipient pertaining to adjustment assistance under sections 313, 314, and 317.

(c) No adjustment assistance shall be extended under section 313, 314, or 317 to any firm unless the owners, partners, or officers certify to the Secretary of Commerce—

(1) the names of any attorneys, agents, and other persons engaged by or on behalf of the firm for the purpose of expediting applications for such adjustment assistance, and

(2) the fees paid or to be paid to any such person.

(d) No financial assistance shall be provided to any firm under section 314 unless the owners, partners, or officers shall execute an agreement binding them and the firm for

a period of 2 years after such financial assistance is provided, to refrain from employing, tendering any office or employment to, or retaining for professional services any person who, on the date such assistance or any part thereof was provided, or within one year prior thereto, shall have served as an officer, attorney, agent, or employee occupying a position or engaging in activities which the Secretary of Commerce shall have determined involve discretion with respect to the provision of such financial assistance.

SEC. 319. PENALTIES.

Whoever makes a false statement of a material fact knowing it to be false, or knowingly fails to disclose a material fact, or whoever willfully overvalues any security, for for the purpose of influencing in any way the action of the Secretary of Commerce under this chapter, or for the purpose of obtaining money, property, or anything of value under this chapter, shall be fined not more than $5,000 or imprisoned for not more than two years, or both.

SEC. 320. SUITS.

In providing technical and financial assistance under sections 313 and 314, the Secretary of Commerce may sue and be sued in any court of record of a State having general jurisdiction or in any United States district court, and jurisdiction is conferred upon such district court to determine such controversies without regard to the amount in contro-

versy; but no attachment, injunction, garnishment, or other similar process, mesne or final, shall be issued against him or his property. Nothing in this section shall be construed to except the activities pursuant to sections 313 and 314 from the application of sections 507 (b) and 2679 of title 28 of the United States Code, and of section 367 of the Revised Statutes (5 U.S.C., sec. 316).

CHAPTER 3—ASSISTANCE TO WORKERS

SEC. 321. AUTHORITY.

The Secretary of Labor shall determine whether applicants are entitled to receive assistance under this chapter and shall pay or provide such assistance to applicants who are so entitled.

Subchapter A—Trade Readjustment Allowances

SEC. 322. QUALIFYING REQUIREMENTS.

(a) Payment of a trade readjustment allowance shall be made to an adversely affected worker who applies for such allowance for any week of unemployment which begins after the 30th day after the date of the enactment of this Act and after the date determined under section 302 (d), subject to the requirements of subsections (b) and (c).

(b) Total or partial separation shall have occurred—

(1) after the date of the enactment of this Act, and after the date determined under section 302 (d), and

(2) before the expiration of the 2-year period beginning on the day on which the most recent determination under section 302(d) was made, and before the termination date (if any) specified under section 302(e).

(c) Such worker shall have had—

(1) in the 156 weeks immediately preceding such total or partial separation, at least 78 weeks of employment at wages of $15 or more a week, and

(2) in the 52 weeks immediately preceding such total or partial separation, at least 26 weeks of employment at wages of $15 or more a week in a firm or firms with respect to which a determination of unemployment or underemployment under section 302 has been made, or

if data with respect to weeks of employment are not available, equivalent amounts of employment computed under regulations prescribed by the Secretary of Labor.

SEC. 323. WEEKLY AMOUNTS.

(a) Subject to the other provisions of this section, the trade readjustment allowance payable to an adversely affected worker for a week of unemployment shall be an amount equal to 65 percent of his average weekly wage or to 65 percent of the average weekly manufacturing wage,

whichever is less, reduced by 50 percent of the amount of his remuneration for services performed during such week.

(b) Any adversely affected worker who is entitled to trade readjustment allowances and who is undergoing training approved by the Secretary of Labor, including on-the-job training, shall receive for each week in which he is undergoing any such training, a trade readjustment allowance in an amount (computed for such week) equal to the amount computed under subsection (a) or (if greater) the amount of any weekly allowance for such training to which he would be entitled under any other Federal law for the training of workers, if he applied for such allowance. Such trade readjustment allowance shall be paid in lieu of any training allowance to which the worker would be entitled under such other Federal law.

(c) ~~(1) The amount payable to an adversely affected worker under subsection (a) for any week shall be reduced by any amount of unemployment insurance to which he is entitled with respect to such week (or would be entitled but for this chapter or any action taken by such worker under this chapter), whether or not he has filed a claim for such insurance.~~

~~(2)~~ The amount payable to an adversely affected worker under subsection ~~(b)~~ *The amount of trade readjustment al-*

lowance payable to an adversely affected worker under subsection (a) or (b) for any week shall be reduced by any amount of unemployment insurance which he has received or is seeking with respect to such week; but, if the appropriate State or Federal agency finally determines that the worker was not entitled to unemployment insurance with respect to such week, the reduction shall not apply with respect to such week.

(d) If unemployment insurance, or a training allowance under the Manpower Development and Training Act of 1962 or the Area Redevelopment Act, is ~~payable~~ *paid* to an adversely affected worker for any week of unemployment with respect to which he would be entitled (determined without regard to subsection (c) or (e) or to any disqualification under section 327) to a trade readjustment allowance if he applied for such allowance, each such week shall be deducted from the total number of weeks of trade readjustment allowance otherwise payable to him under section 324(a) when he applies for a trade readjustment allowance and is determined to be entitled to such allowance. If the unemployment insurance or the training allowance ~~payable~~ *paid* to such worker for any week of unemployment is less than the amount of the trade readjustment allowance to which he would be entitled if he applied for such allowance, he shall receive, when he applies for a trade readjustment

allowance and is determined to be entitled to such allowance, a trade readjustment allowance for such week equal to such difference.

(e) Whenever, with respect to any week of unemployment, the total amount payable to an adversely affected worker as remuneration for services performed during such week, as unemployment insurance, as a training allowance referred to in subsection (d), and as a trade readjustment allowance would exceed 75 percent of his average weekly wage, his trade readjustment allowance for such week shall be reduced by the amount of such excess.

(f) The amount of any weekly payment to be made under this section which is not a whole dollar amount shall be rounded upward to the next higher whole dollar amount.

~~(g) If unemployment insurance is paid under a State law to an adversely affected worker for a week during which he is undergoing training approved by the Secretary of Labor, the State agency making such payment shall be reimbursed from funds appropriated pursuant to section 337, to the extent that such payment does not exceed the trade readjustment allowance which such worker would have received if he had applied for such allowance and had not received the State payment. The amount of such reimbursement shall be determined by the Secretary of Labor on the basis of reports furnished to him by the State agency~~

~~and such amount shall then be placed in the Unemployment Trust Fund to the credit of the State's account.~~

(g)(1) If unemployment insurance is paid under a State law to an adversely affected worker for a week for which—

(A) he receives a trade readjustment allowance, or

(B) he makes application for a trade readjustment allowance and would be entitled (determined without regard to subsection (c) or (e)) to receive such allowance,

the State agency making such payment shall, unless it has been reimbursed for such payment under other Federal law, be reimbursed from funds appropriated pursuant to section 337, to the extent such payment does not exceed the amount of the trade readjustment allowance which such worker would have received, or would have been entitled to receive, as the case may be, if he had not received the State payment. The amount of such reimbursement shall be determined by the Secretary of Labor on the basis of reports furnished to him by the State agency.

(2) In any case in which a State agency is reimbursed under paragraph (1) for payments of unemployment insurance made to an adversely affected worker, such payments, and the period of unemployment of such worker for which

such payments were made, may be disregarded under the State law (and for purposes of applying section 3303 of the Internal Revenue Code of 1954) in determining whether or not an employer is entitled to a reduced rate of contributions permitted by the State law, but only if, under the State law, such payments and such period are disregarded in determining such worker's eligibility for unemployment insurance under the State law upon the termination of such worker's eligibility to receive trade readjustment allowances as determined under section 324.

SEC. 324. TIME LIMITATIONS ON TRADE READJUSTMENT ALLOWANCES.

(a) Payment of trade readjustment allowances shall not be made to an adversely affected worker for more than 52 weeks, except that, in accordance with regulations prescribed by the Secretary of Labor—

(1) such payments may be made for not more than 26 additional weeks to an adversely affected worker to assist him to complete training approved by the Secretary of Labor, or

(2) such payments shall be made for not more than 13 additional weeks to an adversely affected worker who had reached his 60th birthday on or before the date of total or partial separation.

(b) Except for a payment made for an additional week

specified in subsection (a), a trade readjustment allowance shall not be paid for a week of unemployment beginning more than 2 years after the beginning of the appropriate week. A trade readjustment allowance shall not be paid for any additional week specified in subsection (a) if such week begins more than 3 years after the beginning of the appropriate week. The appropriate week for a totally separated worker is the week of his most recent total separation. The appropriate week for a partially separated worker is the week in respect of which he first receives a trade readjustment allowance following his most recent partial separation.

SEC. 325. APPLICATION OF STATE LAWS.

Except where inconsistent with the provisions of this chapter and subject to such regulations as the Secretary of Labor may prescribe, the availability and disqualification provisions of the State law—

(1) under which an adversely affected worker is entitled to unemployment insurance (whether or not he has filed a claim for such insurance), or

(2) if he is not so entitled to unemployment insurance, of the State in which he was totally or partially separated,

shall apply to any such worker who files a claim for trade readjustment allowances. The State law so determined with

respect to a separation of a worker shall remain applicable, for purposes of the preceding sentence, with respect to such separation until such worker becomes entitled to unemployment insurance under another State law (whether or not he has filed a claim for such insurance).

Subchapter B—Training

SEC. 326. IN GENERAL.

(a) To assure that the readjustment of adversely affected workers shall occur as quickly and effectively as possible, with minimum reliance upon trade readjustment allowances under this chapter, every effort shall be made to prepare each such worker for full employment in accordance with his capabilities and prospective employment opportunities. To this end, and subject to this chapter, adversely affected workers shall be afforded, where appropriate, the testing, counseling, training, and placement services provided for under any Federal law. Such workers may also be afforded supplemental assistance necessary to defray transportation and subsistence expenses for separate maintenance when such training is provided in facilities which are not within commuting distance of their regular place of residence. The Secretary of Labor in defraying such subsistence expenses shall not afford any individual an allowance exceeding $5 a day; nor shall the Secretary authorize any transportation expense exceeding the rate of 10 cents per mile.

(b) To the extent practicable, before adversely affected workers are referred to training, the Secretary of Labor shall consult with such workers' firm and their certified or recognized union or other duly authorized representative and develop a worker retraining plan which provides for training such workers to meet the manpower needs of such firm, in order to preserve or restore the employment relationship between the workers and the firm.

SEC. 327. DISQUALIFICATION FOR REFUSAL OF TRAINING, ETC.

Any adversely affected worker who, without good cause, refuses to accept or continue, or fails to make satisfactory progress in, suitable training to which he has been referred by the Secretary of Labor shall not thereafter be entitled to trade readjustment allowances until he enters or resumes training to which he has been so referred.

Subchapter C—Relocation Allowances

SEC. 328. RELOCATION ALLOWANCES AFFORDED.

Any adversely affected worker who is the head of a family as defined in regulations prescribed by the Secretary of Labor and who has been totally separated may file an application for a relocation allowance, subject to the terms and conditions of this subchapter.

SEC. 329. QUALIFYING REQUIREMENTS.

(a) A relocation allowance may be granted only to assist an adversely affected worker in relocating within the United States and only if the Secretary of Labor determines that such worker cannot reasonably be expected to secure suitable employment in the commuting area in which he resides and that such worker—

(1) has obtained suitable employment affording a reasonable expectation of long-term duration in the area in which he wishes to relocate, or

(2) has obtained a bona fide offer of such employment.

(b) A relocation allowance shall not be granted to such worker unless—

(1) for the week in which the application for such allowance is filed, he is entitled (determined without regard to section 323 (c) and (e)) to a trade readjustment allowance or would be so entitled (determined without regard to whether he filed application therefor) but for the fact that he has obtained the employment referred to in subsection (a) (1), and

(2) such relocation occurs within a reasonable period after the filing of such application or (in the case of a

worker who has been referred to training by the Secretary of Labor) within a reasonable period after the conclusion of such training.

SEC. 330. RELOCATION ALLOWANCE DEFINED.

For purposes of this subchapter, the term "relocation allowance" means—

(1) the reasonable and necessary expenses, as specified in regulations prescribed by the Secretary of Labor, incurred in transporting a worker and his family and their household effects, and

(2) a lump sum equivalent to two and one-half times the average weekly manufacturing wage.

Subchapter D—General Provisions

SEC. 331. AGREEMENTS WITH STATES.

(a) The Secretary of Labor is authorized on behalf of the United States to enter into an agreement with any State, or with any State agency. Under such an agreement, the State agency (1) as agent of the United States, will receive applications for, and will provide, assistance on the basis provided in this chapter, (2) where appropriate, will afford adversely affected workers who apply for assistance under this chapter testing, counseling, referral to training, and placement services, and (3) will otherwise cooperate with the Secretary of Labor and with other State and Federal agencies in providing assistance under this chapter.

(b) Each agreement under this subchapter shall provide the terms and conditions upon which the agreement may be amended, suspended, or terminated.

(c) Each agreement under this subchapter shall provide that unemployment insurance otherwise payable to any adversely affected worker will not be denied or reduced for any week by reason of any right to allowances under this chapter.

SEC. 332. PAYMENTS TO STATES.

(a) The Secretary of Labor shall from time to time certify to the Secretary of the Treasury for payment to each State which has entered into an agreement under section 331 *(1)* the sums necessary to enable such State as agent of the United States to make payments of allowances provided for by this chapter, *and (2) the sums reimbursable to a State pursuant to section 323(g)*. The Secretary of the Treasury, prior to audit or settlement by the General Accounting Office, shall make payment to the State in accordance with such certification, from the funds for carrying out the purposes of this chapter. *Sums reimbursable to a State pursuant to section 323(g) shall be credited to the account of such State in the Unemployment Trust Fund and shall be used only for the payment of cash benefits to individuals with respect to their unemployment, exclusive of expenses of administration.*

(b) All money paid a State under this section shall be used solely for the purposes for which it is paid; and any money so paid which is not used for such purposes shall be returned, at the time specified in the agreement under this subchapter, to the Treasury and credited to current applicable appropriations, funds, or accounts from which payments to States under this section may be made.

(c) Any agreement under this subchapter may require any officer or employee of the State certifying payments or disbursing funds under the agreement, or otherwise participating in the performance of the agreement, to give a surety bond to the United States in such amount as the Secretary of Labor may deem necessary, and may provide for the payment of the cost of such bond from funds for carrying out the purposes of this chapter.

SEC. 333. LIABILITIES OF CERTIFYING AND DISBURSING OFFICERS.

(a) No person designated by the Secretary of Labor, or designated pursuant to an agreement under this subchapter, as a certifying officer, shall, in the absence of gross negligence or intent to defraud the United States, be liable with respect to the payment of any allowance certified by him under this chapter.

(b) No disbursing officer shall, in the absence of gross negligence or intent to defraud the United States, be liable

with respect to any payment by him under this chapter if it was based upon a voucher signed by a certifying officer designated as provided in subsection (a).

SEC. 334. RECOVERY OF OVERPAYMENTS.

(a) If a State agency or the Secretary of Labor, or a court of competent jurisdiction finds that any person—

(1) has made, or has caused to be made by another, a false statement or representation of a material fact knowing it to be false, or has knowingly failed or caused another to fail to disclose a material fact; and

(2) as a result of such action has received any payment of allowances under this chapter to which he was not entitled,

such person shall be liable to repay such amount to the State agency or the Secretary of Labor, as the case may be, or either may recover such amount by deductions from any allowance payable to such person under this chapter. Any such finding by a State agency or the Secretary of Labor may be made only after an opportunity for a fair hearing.

(b) Any amount repaid to a State agency under this section shall be deposited into the fund from which payment was made. Any amount repaid to the Secretary of Labor under this section shall be returned to the Treasury and credited to the current applicable appropriation, fund, or account from which payment was made.

SEC. 335. PENALTIES.

Whoever makes a false statement of a material fact knowing it to be false, or knowingly fails to disclose a material fact, for the purpose of obtaining or increasing for himself or for any other person any payment or assistance authorized to be furnished under this chapter or pursuant to an agreement under section 331 shall be fined not more than $1,000 or imprisoned for not more than one year, or both.

SEC. 336. REVIEW.

Except as may be provided in regulations prescribed by the Secretary of Labor to carry out his functions under this chapter, determinations under this chapter as to the entitlement of individuals for adjustment assistance shall be final and conclusive for all purposes and not subject to review by any court or any other officer. To the maximum extent practicable and consistent with the purposes of this chapter, such regulations shall provide that such determinations by a State agency will be subject to review in the same manner and to the same extent as determinations under the State law.

SEC. 337. AUTHORIZATION OF APPROPRIATIONS.

There are hereby authorized to be appropriated to the Secretary of Labor such sums as may be necessary from time to time to carry out his functions under this chapter in connection with furnishing adjustment assistance to workers,

which sums are authorized to be appropriated to remain available until expended.

SEC. 338. DEFINITIONS.

For purposes of this chapter—

(1) The term "adversely affected employment" means employment in a firm or appropriate subdivision of a firm, if workers of such firm or subdivision are eligible to apply for adjustment assistance under this chapter.

(2) The term "adversely affected worker" means an individual who, because of lack of work in an adversely affected employment—

(A) has been totally or partially separated from such employment, or

(B) has been totally separated from employment with the firm in a subdivision of which such adversely affected employment exists.

(3) The term "average weekly manufacturing wage" means the national gross average weekly earnings of production workers in manufacturing industries for the latest calendar year (as officially published annually by the Bureau of Labor Statistics of the Department of Labor) most recently published before the

period for which the assistance under this chapter is furnished.

(4) The term "average weekly wage" means one-13th of the total wages paid to an individual in the high quarter. For purposes of this computation, the high quarter shall be that quarter in which the individual's total wages were highest among the first 4 of the last 5 completed calendar quarters immediately before the quarter in which occurs the week with respect to which the computation is made. Such week shall be the week in which total separation occurred, or, in cases where partial separation is claimed, an appropriate week, as defined in regulations prescribed by the Secretary of Labor.

(5) The term "average weekly hours" means the average hours worked by the individual (excluding overtime) in the employment from which he has been or claims to have been separated in the 52 weeks (excluding weeks during which the individual was sick or on vacation) preceding the week specified in the last sentence of paragraph (4).

(6) The term "partial separation" means, with respect to an individual who has not been totally separated, that he has had his hours of work reduced to 80 percent or less of his average weekly hours in

adversely affected employment and his wages reduced to 75 percent or less of his average weekly wage in such adversely affected employment.

(7) The term "remuneration" means wages and net earnings derived from services performed as a self-employed individual.

(8) The term "State" includes the District of Columbia and the Commonwealth of Puerto Rico; and the term "United States" when used in the geographical sense includes such Commonwealth.

(9) The term "State agency" means the agency of the State which administers the State law.

(10) The term "State law" means the unemployment insurance law of the State approved by the Secretary of Labor under section 3304 of the Internal Revenue Code of 1954.

(11) The term "total separation" means the layoff or severance of an individual from employment with a firm in which, or in a subdivision of which, adversely affected employment exists.

(12) The term "unemployment insurance" means the unemployment insurance payable to an individual under any State law or Federal unemployment insurance law, including title XV of the Social Security Act, the Railroad Unemployment Insurance Act, and the Tem-

porary Extended Unemployment Compensation Act of 1961.

(13) The term "week" means a week as defined in the applicable State law.

(14) The term "week of unemployment" means with respect to an individual any week for which his remuneration for services performed during such week is less than 75 percent of his average weekly wage and in which, because of lack of work—

(A) if he has been totally separated, he worked less than the full-time week (excluding overtime) in his current occupation, or

(B) if he has been partially separated, he worked 80 percent or less of his average weekly hours.

CHAPTER 4—TARIFF ADJUSTMENT

SEC. 351. AUTHORITY.

(a) (1) After receiving an affirmative finding of the Tariff Commission under section 301 (b) with respect to an industry, the President may proclaim such increase in, or imposition of, any duty or other import restriction on the article causing or threatening to cause serious injury to such industry as he determines to be necessary to prevent or remedy serious injury to such industry.

(2) If the President does not, within 60 days after the

date on which he receives such affirmative finding, proclaim the increase in, or imposition of, any duty or other import restriction on such article found and reported by the Tariff Commission pursuant to section 301(e)—

(A) he shall immediately submit a report to the House of Representatives and to the Senate stating why he has not proclaimed such increase or imposition, and

(B) such increase or imposition shall take effect (as provided in paragraph (3)) upon the adoption by both Houses of the Congress (within the 60-day period following the date on which the report referred to in subparagraph (A) is submitted to the House of Representatives and the Senate), by the yeas and nays by the affirmative vote of a majority of the authorized membership of each House, of a concurrent resolution stating in effect that the Senate and House of Representatives approve the increase in, or imposition of, any duty or other import restriction on the article found and reported by the Tariff Commission.

For purposes of subparagraph (B), in the computation of the 60-day period there shall be excluded the days on which either House is not in session because of adjournment of more than 3 days to a day certain or an adjournment of the Congress sine die. The report referred to in subparagraph (A) shall be delivered to both Houses of the Congress on the

same day and shall be delivered to the Clerk of the House of Representatives if the House of Representatives is not in session and to the Secretary of the Senate if the Senate is not in session.

(3) In any case in which the contingency set forth in paragraph (2) (B) occurs, the President shall (within 15 days after the adoption of such resolution) proclaim the increase in, or imposition of, any duty or other import restriction on the article which was found and reported by the Tariff Commission pursuant to section 301 (e).

(4) The President may, within 60 days after the date on which he receives an affirmative finding of the Tariff Commission under section 301 (b) with respect to an industry, request additional information from the Tariff Commission. The Tariff Commission shall, as soon as practicable but in no event more than 120 days after the date on which it receives the President's request, furnish additional information with respect to such industry in a supplemental report. For purposes of paragraph (2), the date on which the President receives such supplemental report shall be treated as the date on which the President received the affirmative finding of the Tariff Commission with respect to such industry.

(b) No proclamation pursuant to subsection (a) shall be made—

(1) increasing any rate of duty to a rate more than 50 percent above the rate existing on July 1, 1934, *or, if the article is dutiable but no rate existed on that date, the rate existing at the time of the proclamation,* or

(2) in the case of an article not subject to duty, imposing a duty in excess of 50 percent ad valorem.

For purposes of paragraph (1), the term "existing on July 1, 1934" has the meaning assigned to such term by paragraph ~~(5)~~ *(6)* of section 256.

(c) (1) Any increase in, or imposition of, any duty or other import restriction proclaimed pursuant to this section or section 7 of the Trade Agreements Extension Act of 1951—

(A) may be reduced or terminated by the President when he determines, after taking into account the advice received from the Tariff Commission under subsection (d) (2) and after seeking advice of the Secretary of Commerce and the Secretary of Labor, that such reduction or termination is in the national interest, and

(B) unless extended under paragraph (2), shall terminate not later than the close of the date which is ~~4 years~~ *5 years* after the effective date of the initial proclamation or the date of the enactment of this Act, whichever date is the later.

(2) Any increase in, or imposition of, any duty or other import restriction proclaimed pursuant to this section or pursuant to section 7 of the Trade Agreements Extension Act of 1951 may be extended in whole or in part by the President for such periods (not in excess of ~~4 years~~ *5 years* at any one time) as he may designate if he determines, after taking into account the advice received from the Tariff Commission under subsection (d) (3) and after seeking advice of the Secretary of Commerce and the Secretary of Labor, that such extension is in the national interest.

(d) (1) So long as any increase in, or imposition of, any duty or other import restriction pursuant to this section or pursuant to section 7 of the Trade Agreements Extension Act of 1951 remains in effect the Tariff Commission shall keep under review developments with respect to the industry concerned, and shall make ~~periodic~~ *annual* reports to the President concerning such developments.

(2) Upon request of the President *or upon its own motion,* the Tariff Commission shall advise the President of its judgment as to the probable economic effect on the industry concerned of the reduction or termination of the increase in, or imposition of, any duty or other import restriction pursuant to this section or section 7 of the Trade Agreements Extension Act of 1951.

(3) Upon petition on behalf of the industry concerned,

filed with the Tariff Commission not earlier than the date which is 9 months, and not later than the date which is 6 months, before the date any increase or imposition referred to in paragraph (1) or (2) of subsection (c) is to terminate by reason of the expiration of the ~~4-year~~ *5-year* period prescribed in paragraph (1) or an extension thereof under paragraph (2), the Tariff Commission shall advise the President of its judgment as to the probable economic effect on such industry of such termination.

(4) In advising the President under this subsection as to the probable economic effect on the industry concerned, the Tariff Commission shall take into account all economic factors which it considers relevant, including idling of productive facilities, inabilty to operate at a profit, and unemployment or underdevelopment.

(5) Advice by the Tariff Commission under this subsection shall be given on the basis of an investigation during the course of which the Tariff Commission shall hold a hearing at which interested persons shall be given a reasonable opportunity to be present, to produce evidence, and to be heard.

(e) The President, as soon as practicable, shall take such action as he determines to be necessary to bring trade agreements entered into under section 350 of the Tariff Act of 1930 into conformity with the provisions of this section.

No trade agreement shall be entered into under section 201 (a) unless such agreement permits action in conformity with the provisions of this section.

SEC. 352. ORDERLY MARKETING AGREEMENTS.

(a) After receiving an affirmative finding of the Tariff Commission under section 301(b) with respect to an industry, the President may, in lieu of exercising the authority contained in section 351(a)(1) but subject to the provisions of sections 351(a) (2), (3), and (4), negotiate international agreements with foreign countries limiting the export from such countries and the import into the United States of the article causing or threatening to cause serious injury to such industry, whenever he determines that such action would be more appropriate to prevent or remedy serious injury to such industry than action under section 351(a)(1).

(b) In order to carry out an agreement concluded under subsection (a), the President is authorized to issue regulations governing the entry or withdrawal from warehouse of the article covered by such agreement. In addition, in order to carry out a multilateral agreement concluded under subsection (a) among countries accounting for a significant part of world trade in the article covered by such agreement, the President is also authorized to issue regulations governing the entry or withdrawal from warehouse of the like article which is the product of countries not parties to such agreement.

SEC. 353. ADDITIONAL AUTHORITY TO INCREASE TARIFFS AND IMPOSE QUOTAS.

Notwithstanding any other provision of law, the President may, when he finds it in the national interest, proclaim with respect to any article imported into the United States—

(1) the increase of any existing duty on such article to such rate as he finds necessary,

(2) the imposition of a duty on such article (if it is not otherwise subject to duty) at such rate as he finds necessary, and

(3) the imposition of such other import restrictions as he finds necessary.

CHAPTER 5—ADVISORY BOARD

SEC. 361. ADJUSTMENT ASSISTANCE ADVISORY BOARD.

(a) There is hereby created the Adjustment Assistance Advisory Board, which shall consist of the Secretary of Commerce, as Chairman, and the Secretaries of the Treasury, Agriculture, Labor, Interior, and Health, Education, and Welfare, the Administrator of the Small Business Administration, and such other officers as the President deems appropriate. Each member of the Board may designate an officer of his agency to act for him as a member of the Board. The Chairman may from time to time invite the participation of officers of other agencies of the executive branch.

(b) At the request of the President, the Board shall

advise him and the agencies furnishing adjustment assistance pursuant to chapters 2 and 3 on the development of coordinated programs for such assistance, giving full consideration to ways of preserving and restoring the employment relationship of firms and workers where possible, consistent with sound economic adjustment.

(c) The Chairman may appoint for any industry an industry committee composed of members representing employers, workers, and the public, for the purpose of advising the Board. Members of any such committee shall, while attending meetings, be entitled to receive compensation and reimbursement as provided in section 401(3). The provisions of section 1003 of the National Defense Education Act of 1958 (20 U.S.C. ~~582~~ *583*) shall apply to members of such committee.

TITLE IV—GENERAL PROVISIONS

SEC. 401. AUTHORITIES.

The head of any agency performing functions under this Act may—

(1) authorize the head of any other agency to perform any of such functions;

(2) prescribe such rules and regulations as may be necessary to perform such functions; and

(3) to the extent necessary to perform such functions, procure the temporary (not in excess of one year)

or intermittent services of experts or consultants or organizations thereof, including stenographic reporting services, by contract or appointment, and in such cases such services shall be without regard to the civil service and classification laws, and, except in the case of stenographic reporting services by organizations, without regard to section 3709 of the Revised Statutes (41 U.S.C. 5). Any individual so employed may be compensated at a rate not in excess of $75 per diem, and, while such individual is away from his home or regular place of business, he may be allowed transportation and not to exceed $16 per diem in lieu of subsistence and other expenses.

SEC. 402. REPORTS.

(a) The President shall submit to the Congress an annual report on the trade agreements program and on tariff adjustment and other adjustment assistance under this Act. Such report shall include information regarding new negotiations, changes made in duties and other import restrictions of the United States, reciprocal concessions obtained, changes in trade agreements in order to effectuate more fully the purposes of the trade agreements program (including the incorporation therein of escape clauses), the results of action taken to obtain removal of foreign trade restrictions (including discriminatory restrictions) against United States ex-

ports, remaining restrictions, and the measures available to seek their removal in accordance with the purposes of this Act, and other information relating to the trade agreements program and to the agreements entered into thereunder.

(b) The Tariff Commission shall submit to the Congress at least once a year, a factual report on the operation of the trade agreements program.

SEC. 403. TARIFF COMMISSION.

(a) In order to expedite the performance of its functions under this Act, the Tariff Commission may conduct preliminary investigations, determine the scope and manner of its proceedings, and consolidate proceedings before it.

(b) In performing its functions under this Act, the Tariff Commission may exercise any authority granted to it under any other Act.

(c) The Tariff Commission shall at all times keep informed concerning the operation and effect of provisions relating to duties or other import restrictions of the United States contained in trade agreements entered into under the trade agreements program.

SEC. 404. SEPARABILITY.

If any provision of this Act or the application of any provision to any circumstances or persons shall be held invalid, the validity of the remainder of this Act, and of the

application of such provision to other circumstances or persons, shall not be affected thereby.

SEC. 405. DEFINITIONS.

For purposes of this Act—

(1) The term "agency" includes any agency, department, board, wholly or partly owned corporation, instrumentality, commission, or establishment of the United States.

(2) The term "duty or other import restriction" includes (A) the rate and form of an import duty, and (B) a limitation, prohibition, charge, and exaction other than duty, imposed on importation or imposed for the regulation of imports.

(3) The term "firm" includes an individual proprietorship, partnership, joint venture, association, corporation (including a development corporation), business trust, cooperative, trustees in bankruptcy, and receivers under decree of any court. A firm, together with any predecessor, successor, or affiliated firm controlled or substantially beneficially owned by substantially the same persons, may be considered a single firm where necessary to prevent unjustifiable benefits.

(4) An imported article is "directly competitive with" a domestic article at an earlier or later stage of

processing, and a domestic article is "directly competitive with" an imported article at an earlier or later stage of processing, if the importation of the imported article has an economic effect on producers of the domestic article comparable to the effect of importation of articles in the same stage of processing as the domestic article. For purposes of this paragraph, the unprocessed article is at an earlier stage of processing.

(5) A product of a country *or area* is an article which is the growth, produce, or manufacture of such country *or area.*

(6) The term "modification", as applied to any duty or other import restriction, includes the elimination of any duty.

Passed the House of Representatives June 28, 1962.

Attest: RALPH R. ROBERTS,

Clerk.

Calendar No. 2025

87TH CONGRESS
2D SESSION

H. R. 11970

[Report No. 2059]

AN ACT

To promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes.

JUNE 29, 1962
Read twice and referred to the Committee on Finance

SEPTEMBER 14, 1962
Reported with amendments

Sept. 17, 1962

SENATE

16. FOREIGN TRADE. Began debate on H. R. 11970, the proposed Trade Expansion Act of 1962 (pp. 18445, ~~18447~~, 18452-7, 18467-8, 18474-7). Agreed to the committee amendments en bloc and the bill, as amended, will be treated as original text for purposes of further amendment (pp. 18455-7).

17. MINERALS. Passed as reported S. J. Res.136, to authorize a study to determine the susceptibility of minerals to electrometallurgical processes. pp. 18459-60

Passed without amendment H. R. 9280, to give the Secretary of Interior limited authority to sell certain materials from publicly owned lands by negotiated sale, rather than by competitive bidding as required by present law (this authority does not apply to national forest lands). This bill will now be sent to the President. pp. 18460-1

Passed without amendment H. R. 10540, to exclude deposits of petrified wood from appropriation under U. S. mining laws. This bill will now be sent to the President. p. 18461

18. PUBLIC LANDS. Passed as reported S. 3160, to extend to Alaska the provisions governing the disposition of public lands under the townsite laws so as to permit tracts of land in Alaska to be sold subject to a reservation of the U. S. of coal, oil, and gas. p. 18458

19. TRADEMARKS. The Judiciary Committee voted to report (but did not actually report) H. R. 4333, to amend the Trademark Act so as to clarify certain ambiguities relating to the registration and protection of trademarks. p.D850

20. TRANSPORTATION. Sen. Carlson inserted an Arkansas City, Kans., Chamber of Commerce resolution objecting to certain provisions of the administration's proposed transportation legislation, including provision to exempt rail carriers from minimum rate regulation for transportaion of bulk farm commodities. p. 18475

21. FOREIGN AGRICULTURE. Sen. Dirksen inserted a newspaper article discussing the situation in Cuba, including food supplies and collectivization of agriculture. pp. 18472-3

ITEMS IN APPENDIX

22. TEXTILES. Extension of remarks of Rep. Whitener inserting an editorial criticizing the decision of the Tariff Commission not to effect the cotton import equalization fee. pp. A6871-2.

Extension of remarks of Rep. Hemphill inserting a resolution urging the President to take immediate action to protect domestic cotton products. p. A6875

23. FARM PROGRAM. Extension of remarks of Rep. Weaver inserting a speech by an insecticide manufacturer defending the continuing and increased efficiency of American agriculture. p. A6874

BILLS INTRODUCED

24. REORGANIZATION; EXPENDITURES. S. 3725 by Sen. Bennett, to establish a Commission on Governmental Operations and Programs; to Government Operations Committee Remarks of author, pp. 18446-7

25. COTTON. H. R. 13155, by Rep. Taylor, to provide for import fees on cotton

products during periods the United States is subsidizing the export of cotton; to Ways and Means Committee.

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COMMITTEE HEARINGS SEPT. 18:

H. Agriculture Subcommittee on Conservation and Credit (exec., on pending legislation).
Federal pay bill, S. Civil Service (exec).
Problems of Federal-State relations, S. Gov't Operations.
Northeastern Water Resources Compact, S. Judiciary.
Foreign aid appropriations, H. Appropriations (exec).

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United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 87th CONGRESS, SECOND SESSION

Vol. 108 WASHINGTON, MONDAY, SEPTEMBER 17, 1962 No. 167

Senate

The Senate met at 10 o'clock a.m., and was called to order by the President pro tempore.

Rev. Caradine R. Hooton, D.D., general secretary, General Board of Christian Social Concerns, the Methodist Church, Washington, D.C., offered the following prayer:

Almighty God, our Heavenly Father, we thank Thee that Thy grace is greater than all our sins. Give us this day the humility to accept Thy pardon for our every misdoing, and grant us the wisdom to transform all crippling fears into creative faith.

That worldwide turmoil may be displaced by universal tranquillity, we pray for spiritual power to control our scientific potential. At a time when material devices are narrowing our world into a neighborhood, give us the courage to broaden it into a brotherhood.

We invoke the indwelling presence of the Holy Spirit to guide us into a knowledge of truth and govern us in the right exercises of freedom. Abide with every Member of the Congress; and when we separate today, dismiss us with Thy blessing. In the Master's name. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Friday, September 14, 1962, was dispensed with.

REPORT OF A COMMITTEE SUBMITTED DURING ADJOURNMENT

Pursuant to the order of the Senate of September 14, 1962,

Mr. BYRD of Virginia, from the Committee on Finance, reported favorably, with amendments, on September 14, 1962, the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes, and submitted a report (No. 2059) thereon.

PRINTING OF INDIVIDUAL VIEWS ON TRADE EXPANSION BILL

Mr. MANSFIELD. Mr. President, the report of the Committee on Finance on the trade expansion bill (H.R. 11970) was filed on Friday last. Through a misunderstanding, the individual views of the Senator from Nebraska [Mr. CURTIS] were not authorized to be printed in connection with the report of the committee, but in fact were printed as a part of that report.

I therefore ask unanimous consent for the approval by the Senate of such action.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that the President had approved and signed the following acts:

On September 13, 1962:

S. 476. An act to establish the Point Reyes National Seashore in the State of California, and for other purposes.

On September 14, 1962:

S. 1108. An act authorizing the conveyance of certain property in the city of San Diego to the regents of the University of California;

S. 1878. An act to add certain lands to the Wasatch National Forest, Utah, and for other purposes;

S. 2421. An act to provide for retrocession of legislative jurisdiction over U.S. Naval Supply Depot, Clearfield, Ogden, Utah;

S. 2965. An act to provide authority to accelerate public works programs by the Federal Government and State and local bodies;

S. 3071. An act for the relief of Hidayet Danish Makashidze;

S. 3221. An act to provide for the exchange of certain lands in Puerto Rico; and

S. 3628. An act to amend title 10, United States Code, to authorize the appointment of citizens or nationals of the United States from American Samoa, Guam, or the Virgin Islands to the U.S. Military Academy, the U.S. Naval Academy, and the U.S. Air Force Academy.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had insisted upon its amendments to the bill (S. 901) to advance the marine sciences, to establish a comprehensive 10-year program of oceanographic research and surveys, to promote commerce and navigation, to secure the national defense, to expand ocean, coastal, and Great Lakes resources, to authorize the construction of research and survey ships and laboratory facilities, to expedite oceanographic instrumentation, to assure systematic studies of effects of radioactive materials in marine environments, to enhance the public health and general welfare, and for other purposes, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. DINGELL, Mr. LENNON, Mr. MACDONALD, Mr. CASEY, Mr. PELLY, Mr. ELLSWORTH, and Mr. MORSE were appointed managers on the part of the House at the conference.

The message also announced that the House had passed the bill (S. 2768) to promote the foreign policy of the United States by authorizing the purchase of U.N. bonds and the appropriation of funds therefor, with amendments, in which it requested the concurrence of the Senate.

The message further announced that the House had agreed to the amendments of the Senate to the bill (H.R. 2292) to authorize the Secretary of the Treasury to issue certificates of honorable discharge in lieu of certificates of disenrollment to certain persons who served as temporary members of the U.S. Coast Guard Reserve during World War II.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 11974) to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 12546. An act to amend the Life Insurance Company Act of the District of Columbia (48 Stat. 1145), approved June 19, 1934, as amended; and

H.R. 12762. An act to amend the District of Columbia Unemployment Compensation Act, as amended.

ENROLLED BILL SIGNED

The message also announced that the Speaker pro tempore had affixed his signature to the enrolled bill (H.R. 5393) to amend the Bankruptcy Act, as amended, and it was signed by the President pro tempore.

HOUSE BILL REFERRED

The bill (H.R. 12546) to amend the Life Insurance Company Act of the District of Columbia (48 Stat. 1145), approved June 19, 1934, as amended, was read twice by its title and referred to the Committee on the District of Columbia.

ORDER DISPENSING WITH CALL OF THE LEGISLATIVE CALENDAR

On request of Mr. MANSFIELD, and by unanimous consent, the call of the Legislative Calendar was dispensed with.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Foreign Relations Committee and the Armed Services Committee, which are acting under the direction of the Senate, be permitted to meet during the session of the Senate today.

The PRESIDENT pro tempore. Without objection, it is so ordered.

LIMITATION OF DEBATE DURING MORNING HOUR

On request of Mr. MANSFIELD, and by unanimous consent, statements during the morning hour were ordered limited to 3 minutes.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Morning business is in order.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT ON OVEROBLIGATION OF AN APPROPRIATION

A letter from the Governor, Canal Zone Government, Balboa Heights, Canal Zone, reporting, pursuant to law, on the overobligation of an appropriation in that Government; to the Committee on Appropriations.

REPORT ON DEPARTMENT OF THE ARMY RESEARCH AND DEVELOPMENT CONTRACTS

A letter from the Assistant Secretary of the Army, transmitting, pursuant to law, a report of that Department on research and development contracts, for $50,000 or more, which were awarded during the period January 1, 1962, through June 30, 1962 (with an accompanying report); to the Committee on Armed Services.

REPORT ON BACKLOG OF PENDING APPLICATIONS AND HEARING CASES IN FEDERAL COMMUNICATIONS COMMISSION

A letter from the Chairman, Federal Communications Commission, Washington, D.C., transmitting, pursuant to law, a report on backlog of pending applications and hearing cases in that Commission, as of July 31, 1962 (with an accompanying report); to the Committee on Commerce.

CANCELLATION AND DEFERMENT OF CERTAIN IRRIGATION CHARGES UNDER WAPATO INDIAN IRRIGATION PROJECT, WASHINGTON

A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to approve an order of the Secretary of the Interior canceling and deferring certain irrigation charges, eliminating certain tracts of non-Indian-owned land under the Wapato Indian Irrigation Project, Washington, and for other purposes (with accompanying papers); to the Committee on Interior and Insular Affairs.

PETITION

The PRESIDENT pro tempore laid before the Senate a resolution adopted by the Supreme Convention of the Order of Ahepa, at Chicago, Ill., relating to discrimination against U.S. citizens by friendly nations, which was referred to the Committee on Foreign Relations.

BILL AND JOINT RESOLUTION INTRODUCED

A bill and a joint resolution were introduced, read the first time and, by unanimous consent, the second time, and referred as follows:

By Mr. BENNETT:

S. 3725. A bill to establish a Commission on Governmental Operations and Programs; to the Committee on Government Operations.

(See the remarks of Mr. BENNETT when he introduced the above bill, which appear under a separate heading.)

By Mr. ROBERTSON (for himself and Mr. BYRD of Virginia):

S.J. Res. 228. Joint resolution authorizing the issuance of a gold medal to General of the Army Douglas MacArthur; to the Committee on Banking and Currency.

A COMMISSION TO STUDY GOVERNMENT REORGANIZATION AND MEANS TO REDUCE FEDERAL SPENDING

Mr. BENNETT. Mr. President, I introduce, for reference to the appropriate committee, a bill establishing a Commission on Governmental Operations and Programs.

The purpose of this bill is to establish a Commission, independent of the executive branch itself, which can study the overall direction in which the Government is moving with respect to administration of its programs, in order to recommend ways of increasing economy and efficiency and eliminating nonessential, unproductive or wasteful Federal programs.

The Commission will be somewhat similar in purpose and scope to the Hoover Commissions which performed such outstanding service a decade ago.

Indeed, if the Commission were created, President Kennedy might profitably choose to follow the example of President Truman and name as chairman of the Commission the preceding President of the United States, in this case Dwight D. Eisenhower.

HOOVER COMMISSION PRECEDENT

The need for a new study of the activities and organization of the Federal Government in depth has been increasingly apparent to me during the last few years. Many of the recommendations of the two Hoover Commission reports were adopted during the early 1950's and they eliminated many of the administrative tangles which had been created by unplanned, piecemeal expansion of Federal agencies and activities. Since that time, however, hundreds of new laws have been passed; a number of new agencies have been created, and as has been the pattern so often in the past, Congress sometimes has created new agencies without giving careful consideration to how their duties and programs will mesh with those of older agencies in related fields.

In other words, Mr. President, it seems to me that in Government, as in housekeeping, there is a need for a periodic housecleaning—a time to take stock of what is on hand, throw out the things which are not needed, and reorganize along more systematic lines the things we want to keep. I think the time for such a housecleaning of the Federal Government is at hand.

COMMISSION OF 12 MEMBERS

The Commission authorized in this bill would be composed of 12 members, 4 appointed by the President, 4 by the President of the Senate, and 4 by the Speaker of the House. The Commission would be given the responsibility of investigating organization and methods of operation of the executive departments and agencies with a view to recommending changes to—

First. Reduce expenditures consistent with the efficient performance of functions;

Second. Eliminate, by consolidation or otherwise, duplication and overlapping of services, activities, and functions;

Atlantic coast and for 50 States spread from the Atlantic to a group of islands thousands of miles out in the Pacific and to a land which extends into the Arctic Circle.

This document known as the Constitution of the United States of America not only has weathered the years and territorial expansion, but it has survived civil war and major economic and social transition. It was drafted to provide a stable government for the original 13 States which looked to agriculture as their economic strength. Today it is the foundation of government for a nation which is the foremost agricultural and industrial leader of the world.

But even more, it is the foundation of the government which bears the leadership mantle of freedom. No one can deny the grave denials of freedom which have persisted in our Nation throughout its history. However, to the converse, no one can deny that man has known greater freedom in this Nation than ever before in the history of mankind.

This Constitution has worked because it was written in the words of freemen in the 12th year of their freedom. It contains only the most basic principles which must be present in the hearts of all freemen. It has grown stronger through the words of John Marshall, through the swords of U. S. Grant, Sherman and Sheridan, through the curiosity of Lewis and Clark, through the dreams of Wilson and Roosevelt, through the courage of York and Kelly, through the humor of Rogers and Hope, and through the determination of Truman and Kennedy.

While today we honor the 175th anniversary of the Constitution, we cannot overlook that this year we also honor the 100 anniversary of a document which more than any other gave full meaning to the Constitution. This document, the Emancipation Proclamation, recognized that all men are human. Hard as it is for many of us to conceive, some men prior to 1862 were looked upon legally as property. The Civil War not only determined that the Union would persist but also that all men would be equal before the law.

We have come a long way in the past 100 years, but the progress has been slow and we still have a long way to go. However, we can no longer tolerate the slow progress of the past. We must move with dispatch in bringing to all men the full realization of freedom. With every step forward, we strengthen our union and our maximum strength is necessary if we are to prevail in the days that lie ahead. The wisdom of those who met in Philadelphia gave us the framework, the drive of the pioneers gave us the land, the imagination of our inventors gave us the tools, and the faith of millions of Americans gave us the strength. With trust in God, we can attain the goal of man—universal freedom and peace.

POINT REYES NATIONAL SEASHORE, CALIF.

Mr. ENGLE. Mr. President, it was a great satisfaction to me to be present in the White House last Thursday, when President Kennedy signed my bill, S. 476, to create the Point Reyes National Seashore in California.

I will not further extol the scenic grandeur and the recreational potential of this area which the National Park Service has so aptly described as "an island in time" where the rising tide of population has not yet washed over the natural scene. I merely want to point out what a long, hard struggle it has been—and always is—to achieve a legislative objective of this importance. In this case it has taken more than 4 years covering three Congresses.

I started out as a Member of the House in the 85th Congress when on July 16, 1958, I introduced House Resolution 634 to direct the Secretary of the Interior to prepare a report on a proposed Point Reyes National Seashore Recreational Area. The bill was reported favorably by the House Interior Committee but did not get action on the floor.

In the 86th Congress, as a Member of the Senate, I introduced on July 23, 1959, an authorization bill, S. 2428, to establish the Point Reyes National Seashore as recommended by the National Park Service. Congressman CLEM MILLER, of Marin County, the locale of Point Reyes, introduced a companion bill, H.R. 6358. We got hearings both in Washington, D.C., and in California—and the latter, held at Kentfield in April 1960, was a turning point. It conclusively demonstrated overwhelming popular support for the park. But it came too late to complete legislative action in that Congress.

Then on January 4, 1961, I publicly announced my intention to introduce the legislation again in the 87th Congress. My colleague, the senior Senator from California [Mr. KUCHEL] asked to join as a cosponsor. I introduced the bill, S. 476, on January 17, 1961. Representative CLEM MILLER introduced an identical bill, H.R. 2775.

The rest you all know. After extensive committee hearings the Senate passed my bill on September 7, 1961. The House passed it on July 23, 1962. The Senate reconciled the differences on August 31, 1962. The President signed the bill on September 13, 1962.

Now we have a beautiful new national park, the Point Reyes National Seashore in Marin County, Calif. But the battle is not over. We still need funds at the earliest possible date to begin to acquire lands before more of the area is cut up in real estate subdivisions. I have initiated a request for a supplemental appropriation of $5 million from this Congress.

TRIBUTE TO VERYL HOOVER

Mr. HICKEY. Mr. President, I wish to have printed in the RECORD the text of a tribute paid to Mr. Veryl Hoover at a dinner in his honor in Casper, Wyo., on September 12, 1962.

Mr. Hoover, Wyoming division manager of the Pacific Power & Light Co., has recently been elevated to the position of vice president for sales for the entire Pacific Power & Light system. The dinner and the remarks made by Mr. Robert R. Rose, a prominent Casper attorney, typify the gestures that Wyoming people make to persons who have so significantly contributed to the economic growth of Wyoming.

Mr. Hoover has been one of the persons who has cooperated with the Bureau of Reclamation in using to the fullest extent all the resources which have been harnessed by the Bureau in a joint venture of Government and private industry. Veryl Hoover epitomizes the farsightedness of progressive thinking in the resource development of the Western States.

Mr. President, I ask unanimous consent that the tribute to Mr. Hoover be printed in the RECORD.

There being no objection, the tribute was ordered to be printed in the RECORD, as follows:

REMARKS IN RE VERYL HOOVER DINNER

(By Robert R. Rose, Jr.)

The theme of tonight's remarks has tended to equate the name of Veryl Hoover with the phrase "industrial ambassador from Wyoming."

One of his friends who is here tonight described it to me another way recently—he said—Hoover has been the greatest thing for this country since Salt Creek.

It is rare, indeed, that any person should have lived in the State of Wyoming for 7 short years and have been able to accomplish so much and so impress his fellow citizens that, upon his leaving, friends and acquaintances would seek the opportunity to give thanks and appreciation to him through such an expression as we are experiencing tonight.

How many of us will ever enjoy such a heartfelt exhibition of honor where the mayor of our city, the Governor, and U.S. Senator of one of our great States, will interrupt their busy business of government to pay us tribute—where those with whom we have worked with anxiously and spontaneously assemble in an effort to express us thanks and do us honor.

It would seem to me that such an exhibit of thanksgiving will come to very few of us

Why, then, does it come to Veryl Hoover?

It might be assumed by some that Veryl's interest in us has come as a natural consequence of the responsible position that he has held in the Pacific Power & Light Co.—this might have been a contributing factor—but only, in my opinion, a contributing factor.

It might be assumed that his interest in us has come about through a desire to further his future in the utility world and that, therefore, his promotion to higher position with his company is but the culmination of these efforts.

Those who have known him best and who have been privileged to enjoy a close personal friendship with him know that these are not the real reasons for Veryl's interest in Wyoming and her people and for his accomplishments.

To know and understand his contribution to us requires a moment's recollection of our past trials and tribulations.

Many of us who have lived our lives in Wyoming have, down through the years, wishfully speculated about the potential of this great State.

We, in our hearts, have felt and believed that our low-grade iron ore would one day become an asset in the mainstream of industrial development, but our efforts had not met with fruition.

We had long believed that surely the great energies of our coal reserves were destined for uses that were not confined to the firing of locomotive steam engines—but we were unable to define and develop these

reserves of coal and apply them to their potential uses.

We have had a brushing acquaintenance with the possibilities of chemicals from coal—electrical energy from coal—of the possibilities and potentialities of research and development of new minerals and low grade ores and the hope for attracting new industry to the natural resource realm of our economy.

We were only moderately successful in getting our story across to those who could bring these accomplishments about.

It has, for us all, been a long, hard, difficult, and sometimes disappointing uphill battle.

It is not, I think, an overglorification for me to say to these distinguished friends who are here tonight to reexpress their friendship and appreciation to Veryl that it was his appearance upon the Wyoming scene that seemed to us all to furnish the spark, the knowledge, the vision, and the imagination which, when applied to our hopes and dreams, has enabled them to become reality.

We, of Wyoming, cannot but believe, Mr. McKee, that our great company has found it wise to invest these vast sums of money, energy and know-how in this State, in large measure, because you have become convinced, through the representations of our honored guest, that it is here in this now sparsely populated area of the West that your investments together with the Veryl Hoover type of imagination will be most profitably applied to the benefits of your people—to the West and to mankind.

In paying him honor, we pay honor, then, to this great imagination which has permitted the Nation to know of our State's industrial potentials and thus brought to reality the success of those hard efforts which so many of our people have so long sought to accomplish.

It is, then, through the perceptiveness of his imagination, which has successfully conceived of the potentials of Wyoming, that Veryl has come to be so closely bound to our State and her people.

Veryl—for this faith of yours in us and for your having enabled us to reaffirm our faith in ourselvse—we are grateful to you.

We express our appreciation to you for the humility with which you have undertaken your tasks and received your honors.

We know you like us because you have become one of us.

If it were possible for me to express that which your friends feel in their hearts, it would be to simply say:

It is with the deepest regret that we see you leave us but as you do, you must know:

The State of Wyoming is a greater State for your having been one of her citizens.

The people have a broader outlook—keener vision—and lighter hearts as they look to their future tasks.

Finally, no matter what your future accomplishments, Veryl Hoover will never be more loved and appreciate than he is here tonight.

GOVERNMENT IN BUSINESS

Mr. McGEE. Mr. President, for the past few years we have been hearing anguished cries from the far right about "getting the Government out of business." It is my contention, Mr. President, that business and Government operate in what you might call a "Siamese twin" relationship. Each is dependent upon the other and neither could survive independently.

An editorial in the Laramie Daily Boomerang on September 7 cites several examples of businesses that have a great impact upon the economy yet could not exist without substantial Government assistance in contracts and research grants. Such industries include aircraft, electronics and many of the missile sciences. As this editorial points out, the ideological purists may find this relationship objectionable but it has produced some of the most important scientific discoveries of our time and probably will be around for some time.

Mr. President, I ask unanimous consent to have this editorial printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

FREE ENTERPRISE AND DEFENSE

With the prospect strong that this country will be spending $48 billion or more for defense annually for years to come, there can hardly be any way to test what the American economy could do without this massive support.

We all well understand that the dollar benefits of this program flow in huge streams to many of our largest industrial establishments and their suppliers.

For instance, the three prime contractors at a new big missile building plant include one automobile manufacturer and two major aircraft companies.

The planemakers, of course, always have been heavily dependent upon military business. The needs of civil aviation do not generate enough activity for profitable operations, nor are they capable of defraying the immense cost of developing new types of aircraft.

Yet this kind of dependence on Government contract is surpassed in today's economy.

There has grown up in the United States in the last decade or so a category of companies which rely almost totally on the Federal Government for business.

Many of these produce highly specialized products in the electronics field and are related to our missile and space effort. But that same effort also has stimulated the growth of countless firms whose product is analysis, engineering studies, research and development work.

Some of these cluster around such key university centers as Boston. Even Washington, generally thought of as a city without industry, has a good share of this business.

These establishments are in most cases equipped with modern technical facilities and manned by some of this Nation's brightest people. They are truly on our industrial frontier.

It is difficult to imagine what would become of them if their defense contracts suddenly were shut off. The casualties among them undoubtedly would be severe. They have no present life outside their association with Government effort.

Companies in this special category are part of our private enterprise system, as of course are those huge manufacturers who rely on Washington for only a portion of their business.

We are accustomed to hearing some politicians argue loudly to "get the Government out of business." Clearly they cannot mean this in the truest and fullest sense.

For it is obvious that today private enterprise is tightly bound up with public enterprise. This may disturb ideological purists, but it is a fact not likely to be altered so long as the cold war continues and America devotes itself to massive space projects.

The PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

CERTAIN LANDS ADMINISTERED BY FISH AND WILDLIFE SERVICE

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of the unfinished business, Senate bill 2138.

The motion was agreed to; and the Senate resumed the consideration of the bill (S. 2138) to provide that a greater percentage of the increase from lands administered by the Fish and Wildlife Service of the Department of the Interior be returned to the counties in which such lands are situated.

TRADE EXPANSION ACT OF 1962

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside, and that the Senate proceed to the consideration of Calendar No. 2025, House bill 11970, the so-called Trade Expansion Act of 1962.

The PRESIDENT pro tempore. Without objection, it is so ordered; and the Senate will proceed to the consideration of House bill 11970.

The Senate proceeded to the consideration of the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes.

Mr. MANSFIELD. Mr. President, what is the pending business?

The PRESIDENT pro tempore. The pending business is the so-called trade bill, Calendar No. 2025, H.R. 11970.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. YOUNG of Ohio. Mr. President, the trade expansion bill before Congress will tremendously accelerate business recovery in our country. My State of Ohio is the fourth largest in the United States on the basis of exports of products to nations abroad. In other words, there are only three States of the 50 in the United States which exceed the State of Ohio in the immensity of their exports. That is one reason why I favor the administration trade expansion proposals now being considered in the Senate. Another valid reason is that 600,000 jobs in industries in the State of Ohio depend upon export industries in my State; and with the trade expansion bill enacted into law, I am certain that this figure will be greatly increased.

Americans may not realize it, but when an average family sits down to the evening meal there is a good chance that some of the food came half way around the world to the dinner table. More than one-fourth of all imports from foreign nations are agricultural products. The United States imported $3,600 million worth of such products last year, or

$20 worth of food, tobacco, rubber, and fibers for each American. Surely, most breakfasts would be no breakfast at all for millions of people except for coffee. We Americans import half of the world's production of coffee. We import bananas from Ecuador, out-of-season tomatoes from Mexico, olive oil from Spain and Italy, cocoa beans from Nigeria and Ghana. These are but a few of many items. Then, 40 percent of our sugar supply comes mainly from the Philippines, and Latin American countries. A long list of products from countries around the globe—wool, cotton, crude rubber, fruits and vegetables—could be named, which help to make the meals of Americans more appetizing, and their homes more attractive. When the trade expansion program becomes law our exports—products from American farms and factories—will climb skyward and our imports will do likewise. International trade is a two-way road.

When a high-tariff wall was built around our country by the Congress in 1928 and 1929 this Nation suffered the most severe economic depression, unemployment, and hunger that Americans have ever experienced. At one time 13 million worthy and industrious men and women in our country were walking the streets, jobless, largely because a high-tariff wall had been built around our country by the protectionists of that time. The farmers in my State were not making enough money to pay the interest on their mortgages and taxes. In some places farmers gathered together on bowling greens and townhall steps, threatening the orderly processes of law. They could not pay the interest on their mortgages. They could not pay their taxes. I recall distinctly that crowds gathered on courthouse steps in Ohio and elsewhere threatening judges who were hearing farm foreclosure cases. Farmers at that time had about as much economic security as a European serf. Farmers are the bone and sinew of America, and today they are again in dire economic circumstances. This bill will help to keep open existing oversea markets for our farm products and eventually open new ones.

On March 4 of 1933, when I first entered the other body as a Representative at Large from my State, banks in 48 States were closed and business men did not know whether checks in their pockets were any good, largely as a result of the building of the huge tariff wall around our country. The entire financial structure of our Nation had collapsed.

Yesterday we marked the 100th anniversary of the terrible battle of Antietam Creek, or Sharpsburg, as Southerners know it. On that day more men from both the Union and Confederate forces were lost in battle than on any other day in our terrible Civil War, or War Between the States. Yet, the financial structure of our country was never so menaced, during the Civil War, or at any time thereafter as it was on the dark day when Franklin D. Roosevelt first took his oath of office. It was in great part the result of the high tariff wall, which shut out the products of other nations and prevented our farmers and businessmen from selling abroad the products of their farms and factories.

Patrick Henry said:

> I have but one lamp by which my feet are guided, and that is the lamp of experience, I know no way of judging of the future but by the past.

Guiding our footsteps by the light of experience, we should encourage trade with the European Common Market, and other countries of the old world. They will lower their tariff walls, and we shall lower ours in reciprocity. The standard of living everywhere will be higher. One great reason for our present high standard of living is due entirely to the fact that the Founding Fathers—those wise men, those great patriots who founded our Nation and wrote the Constitution—provided for free trade between all the States and Territories of our Union.

I intend to vote against every crippling amendment that is offered to the trade expansion bill of the administration, and I shall gladly support the passage of the bill. It will be for the welfare of this Nation and of all its people.

SENATE AMENDMENTS TO H.R. 10

Mr. GORE. Mr. President, when H.R. 10 was under consideration by the Senate, four amendments were adopted on the floor of the Senate. One of these amendments was offered by the able junior Senator from Louisiana [Mr. LONG], one by the distinguished junior Senator from Minnesota Mr. [McCARTHY], and two by the junior Senator from Tennessee.

Much misinformation has been spread over the country about these amendments. As a result of this and other stimulation, Congress has received a flood of telegrams and letters. Many of the letters I have received have arrived without an ordinary stamp which an average employee would use but rather with the mark of a corporation postage metering machine.

I want to make one thing unmistakably clear. No additional tax would be levied on the pension annuity of anyone, whether large or small, by any provision contained in the bill or by any amendments added thereto. Despite this, the amendments have been described by a widespread propaganda campaign as a tax on pensions.

The amendments which I offered and which the Senate adopted are designed to curb abuses of existing law with respect to pension fund accumulations. The amendments have hit the mark, too.

Abuses of existing law are widespread. Some of the most widespread abuses are found in manipulation of so-called pension funds by which large, and often multiple, pension funds are accumulated through tax free money on behalf of a corporation officer or employee and distributed in lump sum settlements at only the capital gains tax rates.

The Treasury Department advised the Senate Finance Committee of instances in which sums exceeding $800,000 have been built up and paid out in lump-sums to one individual, with the corporate official being taxed at a capital gains rate of only 25 percent. This type of transaction, in reality, is a mockery of the concept of retirement security through assurance of adequate annuities. Moreover, it bears not resemblance to a capital transaction. It is, in fact, a device by which ordinary income, subject to the normal tax rate is converted to a so-called capital gain subject to capital gains rates with a maximum tax of 25 percent. My amendment would put a stop to such abuses by corporation officials, but would not affect the employee who receives an annuity from a pension fund or retirement fund to supplement his social security or other income. Only in exceptional cases would the ordinary employee be affected since pension benefits are generally drawn in the form of an annuity rather than a lump-sum payment.

But even in case of lump-sum payments, the amendment provides generously, I think. Instead of full normal tax, the amendment permits a 5-year averaging which would require less taxes on many average employees than present law would require. On large lump-sum payments, on the other hand, a larger and, I think, a more equitable tax payment would be required.

Another amendment which I offered and which was adopted by the Senate would place a limitation on the amount of tax deduction which a corporation could receive under the law for contribution to the pension fund of any one officer or employee. These limitations are quite generous, amounting to $5,000 or 10 percent of the employee's salary each year, whichever is the lesser, with an overall lifetime limit of $250,000.

Mr. President, this limitation has been criticized by some as being too large and by others as being too small. The present law contains no limit at all. I think some limitation is needed, and I suggest that the limitations which the Senate adopted are generous indeed.

Mr. President, if these amendments serve only to cause the Congress and the American people to give careful consideration to this rapidly growing pattern of abuse through manipulation of so-called pension funds, then they will have served a very useful purpose. This pattern of abuse, coupled with other loopholes in the tax law, constitute a serious attack upon the very principle of a system of progressive taxation upon which the very preservation of economic democracy and social justice depend.

PLANNED MIGRATION OF "NON-VIOLENT UNITS" TO SOUTH

Mr. STENNIS. Mr. President, the tensions and suffering endured for many weeks by the people in the fine little city of Albany, Ga., continue. In a large measure, these conditions have been promoted and agitated by outsiders.

Last year the people of Jackson, Miss., suffered—with commendable fortitude,

let me emphasize—from the activities of wave after wave of outsiders who called themselves freedom riders. While they came into our State with songs and prayers of peace, their conduct promoted and aroused only anger and resentment. In reality their purpose was to violate the laws of the State of Mississippi. Even now, the courts are congested with pending cases arising from these invaders.

Now Mississippi may be a scene of great tension this week as a result of the application filed by a negro for admission to the university. The Governor of Mississippi, the Honorable Ross R. Barnett, has said that in this contest no violence will be tolerated. The Governor and the people of Mississippi rightfully propose to resist by all lawful and constitutional means this unwarranted encroachment and invasion of the authority of the State of Mississippi regarding our State educational institutions.

The foregoing is factual background for my references now to the announced plans of a group from New York, Chicago, and Washington who propose to have "nonviolent units" of individuals stand by as "ready reserves" to go on "prayer pilgrimages" to any place of integration trouble spot in the South. I quote from the news item appearing in the New York Times for September 16:

> Volunteers in several cities are pledged to go at a moment's notice on prayer pilgrimages to integration trouble spots in the South. They are prepared to spend time in jail for demonstrating against racial discrimination.
>
> Pilgrimage organizers have called five rallies at churches in Manhattan, Brooklyn, Queens and Mount Vernon this week to sign up volunteers. Similar recruiting was reported by integrationists in Hartford, New Haven, Cleveland, Chicago and Washington.

Mr. President, no nation in the world except the United States would permit, much less encourage, the migration of hordes of outsiders to places of tension and trouble, for the sole purpose of further increasing those tensions, thereby destroying all chance for possible settlement or continued peace.

I appeal to all those Federal authorities, either now or hereafter, connected in any way with the pending matter at the University of Mississippi to discourage—and, if necessary, to prevent—such migrations of outside troublemakers to places of tension.

I express the fervent hope, Mr. President, that people of good will throughout the Nation will actively discourage the migration of such so-called "nonviolent units" of individuals to trouble spots in any State. The Governor and the people of Mississippi, or of any State, should not be held responsible for any disorder resulting from such invaders who come in to further agitate troubled relations which are already greatly strained.

I can assure the people of the Nation that the people of Mississippi are acting with the utmost good faith and sincerity and that they will continue to do so. I trust that outside groups will not be permitted, much less encouraged, to increase this burden.

TRADE EXPANSION ACT OF 1962

The Senate resumed the consideration of the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes.

The PRESIDING OFFICER (Mr. YOUNG of Ohio in the chair). The first committee amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 2, line 3, after the word "mutual" it is proposed to insert the word "trade."

Mr. WILLIAMS of Delaware. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WILLIAMS of Delaware. Mr. President, I ask unanimous consent that further proceedings under the quorum call may be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD of Virginia. Mr. President, the Finance Committee has reported H.R. 11970, the Trade Expansion Act of 1962. This bill would continue in a greatly expanded form the trade agreement program which began in 1934.

I recall that I was new in the Senate at that time and that the proposed trade program made a great impression on me. The first speech I made in the Senate was in support of the program. However, a close examination of the new concept of reciprocal trade agreements envisioned in the bill before us is not that of Cordell Hull, the one originally designated the "father of the program."

Before discussing the bill I should like to say a word of appreciation for the long hours and efficient work of the staff of the committee and the office of the legislative counsel for getting this intricate bill and report ready on such short notice.

The bill would extend the authority of the President for 5 years from June 30, 1962, to June 30, 1967, to enter into new trade agreements.

It would permit the President to reduce all tariffs by 50 percent and to reduce a great many rates by more than 50 percent or to remove them entirely.

The bill does not contain the requirement in the present law that the Tariff Commission must report confidential peril points to the President. However, it does require the President to submit a list of items upon which he intends to negotiate and the Tariff Commission to make a study of the effect of tariff cuts on the industries concerned.

The bill sets up a plan for the appointment by the President of a chief negotiator to have complete charge of the trade negotiations for the United States. He is to be confirmed by the Senate and shall have ambassadorial rank. The committee amended the bill to provide that the chief negotiator shall be Chairman of the Interagency Trade Organization, a Cabinet level committee which, under the House bill was to have as its chairman a member of the Cabinet.

The bill, as amended, gives very broad authority to the President to raise duties, impose quotas, or take other action when he finds it to be in the national interest. This would arm the President and the chief negotiator with wide powers to use trade restrictions when necessary or advisable to induce foreign countries to to remove burdensome or unreasonable restrictions on our exports.

The bill provides that most-favored-nation treatment shall not be extended to Russia, Communist China or areas dominated by them, but a committee amendment would allow the President to extend that treatment to Yugoslavia and Poland. Under the House version the President could not have done this.

The bill contains an escape clause and the Finance Committee amended it to provide that industries need only prove that imports as a result of trade concessions are the "major" cause of the injury. Under the House bill it might have been interpreted that imports or the concession be the sole cause of the injury. The committee also added "a reasonable profit level" as a part of the criteria to be considered.

The bill reserves from new negotiating lists for 5 years the items which have been affected by Presidential action under the escape clause or the national security provisions of present law. The same applies in cases where the Tariff Commission has made recommendations for adjustment under the escape clause. The House bill reserved these items for 4 years.

The bill was amended to provide that the President may enter into orderly marketing agreements with foreign countries limiting the export to the United State of industrial as well as agricultural articles.

The bill contains a provision for adjustment assistance to industries, firms, or workers seriously injured by concessions granted in trade agreements. The procedure is involved and difficult but may be invoked by individual firms or groups of workers. The committee amended the bill to provide that the entire cost of adjustment assistance shall be paid by the Federal Government. The House bill provided that the Federal payment should only be for amounts in excess of those available under State law.

The Finance Committee adopted a number of amendments, most of which were technical, suggested by the administration and by the Tariff Commission.

The bill does away with the peril points although it does contain a form of escape clause. It seems to me that the peril point procedure has been well tested and that it has in no way hampered the operation of the trade agreement program. In the past it has been voted upon and approved wholeheartedly by many proponents of the program.

However, the part of the bill that gives me the greatest difficulty is that which, by its very existence, is a mandate to the President to deliberately take action

that seems sure to result in serious injury to a domestic industry or segment of agriculture. This is the one that provides so-called adjustment assistance to industries, firms, or workers seriously injured by imports following excessive tariff cuts.

I do not want to be misunderstood. I am certainly not against properly administered State unemployment compensation programs. What this part of the bill does is to discriminate against those who are unemployed as a result of normal economic dislocations. Through the provisions of the bill a man may get assistance for far longer periods than allowed by any State program and far more in his weekly allowance. Whereas the normal State law may assist the unemployed for 25 to 30 weeks at a maximum rate of $35 to $40 a week, H.R. 11970 would allow a maximum period of over a year, at a rate amounting to as as much as $61 per week. Furthermore, the bill sets the camel's head and shoulders in the tent of federalized unemployment compensation. The proponents of the measure may try to rationalize away from this point of view, but the facts are eminently clear. The States would still pay the compensation, but the Federal Government would foot the bill by repayment to the States.

In spite of the weaknesses of the bill before us I must support the continuance of the trade agreement program without interruption. The reasons why it must be continued are overwhelming. The statement of purposes in the bill include this phrase, "to strengthen economic relations with foreign countries" and if economic relations are strengthened then the unity of the free world is also strengthened.

A number of influences have affected international trade and the world economy since 1958 when the present trade agreement law was enacted. The rapid strides toward economic and possible political unity in the European Economic Community and the serious efforts of others of our allies to overcome the very difficult obstacles to a union with that Community can only have a marked effect on the established outline of world trade.

U.S. exports are relatively small in comparison with our gross national product, yet international trade in our expanding economy is of vital concern to our national well-being. The United States continues to compete in all markets of the world, as evidenced by our growing exports, but our own dynamic economy is being approached by the rapid expansion of efficient and aggressive production and sales methods abroad. This expansion, along with the formation of free-trade groups in other parts of the free world, can and should provide an impetus to greater and more profitable international trade.

But our allies are also our competitors in world markets and if the United States is to cope with the problems arising from the rearrangement of trading patterns, the Congress must provide adequate machinery.

The problems of agriculture, industry, and labor will not be solved by the passage of this legislation. They would be much greater, however, if the economy was allowed to stagnate or if the rapid developments abroad found the United States unready or unwilling to join in the forward movement. Inactivity could only delay the inevitable facing up to the situation.

On the other hand the expansion of agriculture, industry and employment abroad will continue to increase the purchasing power in most areas with a resultant expansion in the demand for the goods of other nations. These new and growing markets will rapidly be supplied with the commodities from other sources unless the United States shows an interest in them and makes positive efforts to expand and maintain its trade.

It was the careful consideration of all these factors that influenced my final and difficult decision to vote for the bill H.R. 11970 in committee. My reservations about some features of it are very strong and when the vote to report the bill was taken I indicated that I may be forced to oppose those features on the floor.

This I shall do, but, as I have pointed out, it is of utmost importance that we pass a trade bill at this session. I know that the Members of the Senate will give it their earnest consideration.

Mr. President I ask unanimous consent that the committee amendments be agreed to en bloc.

The PRESIDING OFFICER. Without objection, the committee amendments are agreed to en bloc, and the bill, as amended, will be treated as original text for purpose of amendment.

The amendments agreed to en bloc are as follows:

On page 2, line 3, after the word "mutual", to insert "trade"; in line 7, after the word "commerce", to insert "and"; in line 10, after the word "free", to strike out "world;" and insert "world."; after line 10, to strike out:

"(3) to assist in the progress of countries in the earlier stages of economic development; and".

After line 12, to strike out:

"(4) to prevent Communist economic penetration."

On page 4, in the heading, at the beginning of line 2, to strike out "European Economic Community" and insert "Free European Trading Community".

On page 4, line 5, after the word "the", where it appears the second time, to strike out "European Economic Community" and insert "Free European Trading Community;" in line 10, after the word "the", to strike out "European Economic Community" and insert "Free European Trading Community;" on page 5, at the beginning of line 13, to strike out "European Economic Community" and insert "Free European Trading Community"; on page 6, line 4, after the word "the", to strike out "European Economic Community" and insert "Free European Trading Community"; in line 10, after the word "section", where it appears the first time, to strike out "231 or" and insert "231"; in line 11, after the numerals "1951", to insert "or under section 401(a) of the Tariff Classification Act of 1962"; in line 23, after the word "the", where it appears the second time, to strike out "European Economic Community" and insert "Free European Trading Community".

On page 7, line 6, after the word "the", where it appears the second time, to strike out "European Economic Community" and insert "Free European Trading Community".

On page 7, line 23, after the figure "(3)", to strike out "the European Economic Community has made a commitment with respect to duties or other import restrictions which is likely to assure access for such article to the markets of the European Economic Community", and insert "the European Economic Community, and any country (not within the European Economic Community) which is included within the Free European Trading Community, have made commitments with respect to duties or other import restrictions which are likely to assure access for such article to the markets of the Free European Trading Community".

On page 10, line 2, after the word "articles", to insert a comma and "so as to assist the President in making an informal judgment as to the impact that might be caused by such modifications on United States industry, agriculture, and labor"; in line 5, after the amendment just above stated, to strike out "In the course of preparing such advice, the Tariff Commission shall, after reasonable notice, hold public hearings."; after line 7, to insert:

"(c) In preparing its advice to the President, the Tariff Commission shall, to the extent practicable—

"(1) investigate conditions, causes, and effects relating to competition between the foreign industries producing the articles in question and the domestic industries producing the like or directly competitive articles;

"(2) analyze the production, trade, and consumption of each like or directly competitive article, taking into consideration employment, profit levels, and use of productive facilities with respect to the domestic industries concerned, and such other economic factors in such industries as it considers relevant, including prices, wages, sales, inventories, patterns of demand, capital investment, obsolescence of equipment, and diversification of production;

"(3) describe the probable nature and extent of any significant change in employment, profit levels, use of productive facilities and such other conditions as it deems relevant in the domestic industries concerned which it believes such modifications would cause; and

"(4) make special studies, whenever deemed to be warranted, of particular proposed modifications affecting United States industry, agriculture, and labor.

"(d) In preparing its advice to the President, the Tariff Commission shall, after reasonable notice, hold public hearings."

On page 12, line 19, after the word "Section", to strike out "232 or 351," and insert "232, 351, or 352".

On page 13, line 6, after the word "the", to strike out "4-year" and insert "5-year".

On page 15, line 2, after the word "of", to strike out "any country or area dominated or controlled by Communism" and insert "the Union of Soviet Socialist Republics, Communist China, and any other country or area dominated or controlled by the foreign government or foreign organization controlling the world Communist movement."

On page 17, line 21, after the word "each", to insert "general multilateral"; in line 24, after the word "United", to strike out "States." and insert "States, and who shall be the chairman of the organization established pursuant to section 242(a)."; on page 18, line 5, after the word "mission," to insert "and"; line 6, after the word "plenipotentiary", to strike out the comma and "and shall be an ex-officio member of the organization established pursuant to section 242 (a)"; in lien 13, after the word "agencies", to strike out "of the United States".

On page 18, line 18, after the word "and", to strike out "chapter 4 of title III" and insert "sections 351 and 352"; in line 19,

after the word "shall", to strike out "have as its chairman a Cabinet officer selected by the President, and shall," and insert "in addition to the Special Representative for Trade negotiations"; in line 23, after the word "meet", to strike out "periodically"; on page 19, line 13, after the word "concerning", to strike out "unjustifiable"; in line 14, after the word "section", to strike out "252(c)" and insert "252(d)"; on page 20, line 1, after the word "section", to strike out "252(c)" and insert "252(d)".

On page 20, line 16, after the word "title", to insert a comma and "in section 350(b) of the Tariff Act of 1930, or in section 401(a) of the Tariff Classification Act of 1962,".

On page 20, line 24, after the word "Whenever", to strike out "unjustifiable"; on page 21, line 1, after the word "States", to insert "unjustifiably"; in line 5, after the word "restrictions", to strike out "and"; in line 9, after the word "such", to strike out "restrictions." and insert "restrictions, and

"(3) notwithstanding any other provision of law or any provision of any trade agreement, impose duties or other import restrictions on the products of any foreign country or instrumentality establishing or maintaining such foreign import restrictions against United States agricultural products, to the extent he deems such duties and other import restrictions necessary to prevent the establishment or obtain the removal of such foreign import restrictions and to provide access for United States agricultural products to the markets of such country or instrumentality on an equitable basis."; in line 25, after the word "including", to strike out "unlimited"; on page 22, line 9, after the word "trade", to strike out "agreements" and insert "agreement".

On page 22, after line 13, to insert a new subparagraph, as follows:

"(c) Whenever a foreign country or instrumentality, the products of which receive benefits of trade agreement concessions made by the United States, maintains unreasonable import restrictions which either directly or indirectly substantially burden United States commerce, the President may, to the extent that such action is consistent with the purposes of section 102, and having due regard for the international obligations of the United States—

"(1) suspend, withdraw, or prevent the application of benefits of trade agreement concessions to products of such country or instrumentality, or

"(2) refrain from proclaiming benefits of trade agreement concessions to carry out a trade agreement with such country or instrumentality."

On page 23, at the beginning of line 3, to strike out "(c)" and insert "(d)"; in line 4, after the word "concerning", to strike out "unjustifiable"; in line 5, after the word "restrictions", to insert "which are referred to in subsections (a), (b), and (c) and are".

On page 25, after line 16, to strike out:

"(1) The term 'European Economic Community' means the instrumentality known by such name or any successor thereto.

"(2) The countries of the European Economic Community as of any date shall be those countries which on such date are agreed to achieve a common external tariff through the European Economic Community.

"(3) The term 'agreement with the European Economic Community' means an agreement to which the United States and all countries of the European Economic Community (determined as of the date such agreement is entered into) are parties. For purposes of the preceding sentence, each country for which the European Economic Community signs an agreement shall be treated as a party to such agreement."

And, in lieu thereof, to insert:

"(1) The term 'Free European Trading Community' means (A) the European Economic Community and (B) any country designated by the President, which is a member of the European Free Trade Association.

"(2) The term 'European Economic Community' means the instrumentality known by such name or any successor thereto. The countries of the European Economic Community as of any date shall be those countries which on such date are agreed to achieve a common external tariff through the European Economic Community.

"(3) The term 'European Free Trade Association' means the organization known by such name or any successor thereto. The countries of the European Free Trade Association as of any date shall be those countries which are full members of the Association on such date.

"(4) The term 'agreement with the Free European Trading Community' means an agreement to which the United States and all countries of the Free European Trading Community (determined as of the date such agreement is entered into) are parties. Each such country for which the European Economic Community signs an agreement shall, for the purposes of this paragraph, be treated as a party to such agreement."

On page 27, at the beginning of line 7, to strike out "(4)" and insert "(5)"; at the beginning of line 3, to strike out "(7)" and insert "(6)"; at the beginning of line 20, to strike out "(6)" and insert "(7)"; in line 24, after the word "into", to insert a comma and "and when referring to a rate of duty, refers to the rate of duty (however established, and even though temporarily suspended by Act of Congress or otherwise) existing on such date."; on page 28, at the beginnnig of line 3, to strike out "(7)" and insert "(8)".

On page 30, after line 24, to insert:

"(g)(1) Section 102(1) of the Tariff Classification Act of 1962 is amended by striking out 'of schedules 1 to 7, inclusive,'.

"(2) Section 203 of the Tariff Classification Act of 1962 is amended to read as follows:

" 'SEC. 203. For purposes of applying section 350 of the Tariff Act of 1930, as amended, and the Trade Expansion Act of 1962 with respect to the Tariff Schedules of the United States—

" '(1) The rate of duty in rate column numbered 2 for each item in schedules 1 to 7, inclusive, of the Tariff Schedules of the United States, shall be treated as the rate of duty existing on July 1, 1934.

" '(2) The lowest preferential or nonpreferential rate of duty in rate column numbered 1 for each item in schedules 1 to 7, inclusive, of the Tariff Schedules of the United States on the effective date provided for in section 501(a) of this Act shall be treated as the preferential or nonpreferential rate of duty, respectively, existing on July 1, 1962; except that with respect to any article the rate for which in schedules 1 to 7 has been changed by Presidential proclamation after June 30, 1962, the rate to be regarded as existing on July 1, 1962, shall be the rate which the Commission specifically declares, in a supplemental report made pursuant to section 101(c) of this Act, to be the rate which, in its judgment, conforms to the fullest extent practicable to the rate regarded as existing on July 1, 1962, under section 256(5) of the Trade Expansion Act of 1962.

" '(3) Legislation entering into force after the effective date provided for in section 501(a) of this Act which results in the permanent reclassification of any article without specifying the rate of duty applicable thereto, and proclamations under section 202(c) of this Act, shall be considered as having been in effect since June 30, 1962.'

"(h) Nothing contained in this Act shall be construed to affect in any way the provisions of section 22 of the Agricultural Adjustment Act, or to apply to any import restriction heretofore or hereafter imposed under such section."

On page 32, after line 14, to insert:

"SEC. 258. REFERENCES.

"All provisions of law (other than this Act and the Trade Agreements Extension Act of 1951) in effect June 30, 1962, referring to section 350 of the Tariff Act of 1930, to that section as amended, to the Act entitled "An Act to amend the Tariff Act of 1930", approved June 12, 1934, to that Act as amended, or to agreements entered into, or proclamations issued, under any of such provisions, shall be construed, unless clearly precluded by the context, to refer also to this Act, or to agreements entered into or proclamations issued, pursuant to this Act."

On page 33, after line 8, to strike out:

"(a)(1) Petitions for tariff adjustments under section 351 or for determinations of eligibility to apply for adjustment assistance under chapter 2 or 3 may be filed with the Tariff Commission by firms, groups of workers, or industries. In the case of a firm, such petition may be filed by the firm or its representative. In the case of a group of workers, such petition may be filed by the workers or by their certified or recognized union or other duly authorized representative. In the case of an industry, such petition may be filed by a trade association, firm, certified or recognized union, or other representative."

And in lieu thereof, to insert:

"(a)(1) A petition for tariff adjustment under section 351 may be filed with the Tariff Commission by a trade association, firm, certified or recognized union, or other representative of an industry.

(2) A petition for a determination of eligibility to apply for adjustment assistance under chapter 2 may be filed with the Tariff Commission by a firm or its representative, and a petition for a determination of eligibility to apply for adjustment assistance under chapter 3 may be filed with the Tariff Commission by a group of workers or by their certified or recognized union or other duly authorized representative."

On page 34, line 8, to change the subsection number from "(2)" to "(3)".

On page 34, line 17, after the word "result", to insert "in major part".

On page 35, line 2, after the word "a", to insert "level of reasonable".

On page 35, after line 3, to insert:

"(3) For purposes of paragraph (1), increased imports shall be considered to cause, or threaten to cause, serious injury to the domestic industry concerned when the Tariff Commission finds that such increased imports have been the major factor in causing, or threatening to cause, such injury."

On page 35, line 9, to change the subsection number from "(3)" to "(4)".

On page 35, line 17, after the word "Commission", to strike out "shall, in addition to making an industry determination under subsection (b)," and insert "shall promptly make an investigation to"; in line 20, after the word "result", to insert "in major part", and on page 36, line 3, after the word "a", to insert "level of reasonable".

On page 36, line 8, after the word "Commission", to strike out "shall, in addition to making an industry determination under subsection (b)," and insert "shall promptly make an investigation to"; in line 11, after the word "result", to insert "in major part".

On page 36, after line 18, to insert:

"(3) For purposes of paragraphs (1) and (2), increased imports shall be considered

to cause, or threaten to cause, serious injury to a firm or unemployment or underemployment, as the case may be, when the Tariff Commission finds that such increased imports have been the major factor in causing, or threatening to cause, such injury or unemployment or underemployment."

At the top of page 37, to strike out:

"(3) The Tariff Commission may provide that, during a period beginning not earlier than 30 days after the publication of notice of hearings with respect to an industry and ending not later than the date of the report of the Tariff Commission with respect thereto under subsection (f)(2), no petition may be filed under subsection (a)(1) by a firm or group of workers in such industry with respect to the same imported article and the same domestic article."

On page 37, line 9, after "(d)", to insert "(1)"; in the same line, after the word "under", to strike out "this section" and insert "subsection (b)(1)".

On page 37, after line 13, to insert:

"(2) In the course of any investigation under subsection (c)(1) or (c)(2), the Tariff Commission shall, after reasonable notice, hold public hearings if requested by the petitioner, or if, within 10 days after notice of the filing of the petition, a hearing is requested by any other party showing a proper interest in the subject matter of the investigation, and shall afford such parties an opportunity to be present, to produce evidence, and to be heard at such hearings."

On page 38, line 12, after the word "than", to strike out "120 days" and insert "6 months"; in line 15, after the word "be", to strike out the comma and "unless the President extends such time for an additional period, which shall not exceed 30 days".

At the top of page 39, to insert:

"(g) Except as provided in section 257(e)(3), no petition shall be filed under subsection (a), and no request, resolution, or motion shall be made under subsection (b), prior to the close of the 60th day after the date of the enactment of this Act."

On page 39, line 12, after the numerals "351", to insert "or 352".

On page 59, after line 15, to strike out:

"(c) (1) The amount payable to an adversely affected worker under subsection (a) for any week shall be reduced by any amount of unemployment insurance to which he is entitled with respect to such week (or would be entitled but for this chapter or any action taken by such worker under this chapter), whether or not he has filed a claim for such insurance."

On page 59, at the beginning of line 23, to strike out "(2) The amount payable to an adversely affected worker under subsection (b)" and insert "The amount of trade readjustment allowance payable to an adversely affected worker under subsection (a) or (b)".

On page 60, line 11, after the word "is", to strike out "payable" and insert "paid"; in line 21, after the word "allowance", to strike out "payable" and insert "paid".

On page 61, after line 14, to strike out:

"(g) If unemployment insurance is paid under a State law to an adversely affected worker for a week during which he is undergoing training approved by the Secretary of Labor, the State agency making such payment shall be reimbursed from funds appropriated pursuant to section 337, to the extent that such payment does not exceed the trade readjustment allowance which such worker would have received if he had applied for such allowance and had not received the State payment. The amount of such reimbursement shall be determined by the Secretary of Labor on the basis of reports furnished to him by the State agency and such amount shall then be placed in the Unemployment Trust Fund to the credit of the State's account."

And, in lieu thereof, to insert:

"(g)(1) If unemployment insurance is paid under a State law to an adversely affected worker for a week for which—

"(A) he receives a trade readjustment allowance, or

"(B) he makes application for a trade readjustment allowance and would be entitled (determined without regard to subsection (c) or (e)) to receive such allowance,

the State agency making such payment shall, unless it has been reimbursed for such payment under other Federal law, be reimbursed from funds appropriated pursuant to section 337, to the extent such payment does not exceed the amount of the trade readjustment allowance which such worker would have received, or would have been entitled to receive, as the case may be, if he had not received the State payment. The amount of such reimbursement shall be determined by the Secretary of Labor on the basis of reports furnished to him by the State agency.

"(2) In any case in which a State agency is reimbursed under paragraph (1) for payments of unemployment insurance made to an adversely affected worker, such payments, and the period of unemployment of such worker for which such payments were made, may be disregarded under the State law (and for purposes of applying section 3303 of the Internal Revenue Code of 1954) in determining whether or not an employer is entitled to a reduced rate of contributions permitted by the State law, but only if, under the State law, such payments and such period are disregarded in determining such worker's eligibility for unemployment insurance under the State law upon the termination of such worker's eligibility to receive trade readjustment allowances as determined under section 324."

On page 69, line 13, after the numerals "331", to insert "(1)"; in line 15, after the word "chapter", to insert a comma and "and (2) the sums reimbursable to a State pursuant to section 323(g)."; in line 20, after the word "chapter.", to insert "Sums reimbursable to a State pursuant to section 323(g) shall be credited to the account of such State in the Unemployment Trust Fund and shall be used only for the payment of cash benefits to individuals with respect to their unemployment, exclusive of expenses of administration."

On page 79, at the beginning of line 3, to insert "or, if the article is dutiable but no rate existed on that date, the rate existing at the time of the proclamation,"; in line 9, after the word "paragraph", to strike out "(5)" and insert "(6)"; in line 23, after the word "is", to strike out "4 years" and insert "5 years"; on page 80, line 5, after the word "of", to strike out "4 years" and insert "5 years"; in line 16, after the word "make", to strike out "periodic" and insert "annual"; in line 18, after the word "President", to insert "or upon its own motion"; on page 81, line 5, after the word "the ", where it appears the second time, to strike out "4 year" and insert "5-year".

On page 82, after line 3, to insert a new section, as follows:

"SEC. 352. ORDERLY MARKETING AGREEMENTS.

"(a) After receiving an affirmative finding of the Tariff Commission under section 301(b) with respect to an industry, the President may, in lieu of exercising the authority contained in section 351(a)(1) but subject to the provisions of sections 351(a)(2), (3), and (4), negotiate international agreements with foreign countries limiting the export from such countries and the import into the United States of the article causing or threatening to cause serious injury to such industry, whenever he determines that such action would be more appropriate to prevent or remedy serious injury to such industry than action under section 351(a)(1).

"(b) In order to carry out an agreement concluded under subsection (a), the President is authorized to issue regulations governing the entry or withdrawal from warehouse of the article covered by such agreement. In addition, in order to carry out a multilateral agreement concluded under subsection (a) among countries accounting for a significant part of world trade in the article covered by such agreement, the President is also authorized to issue regulations governing the entry or withdrawal from warehouse of the like article which is the product of countries not parties to such agreement."

At the top of page 83, to insert a new section, as follows:

"SEC. 353. ADDITIONAL AUTHORITY TO INCREASE TARIFFS AND IMPOSE QUOTAS.

"Notwithstanding any other provision of law, the President may, when he finds it in the national interest, proclaim with respect to any article imported into the United States—

"(1) the increase of any existing duty on such article to such rate as he finds necessary,

"(2) the imposition of a duty on such article (if it is not otherwise subject to duty) at such rate as he finds necessary, and

"(3) the imposition of such other import restrictions as he finds necessary."

On page 84, line 14, after "U.S.C.", to strike out "582" and insert "583".

On page 88, line 9, after the word "country", to insert "or area"; and in line 11, after the word "country", to insert "or area".

Mr. BYRD of Virginia. Mr. President, I ask unanimous consent that Mr. Paul Kaplowitz, of the Tariff Commission, be granted permission to be on the floor of the Senate during the consideration of the pending bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill is open to amendment.

Mr. DIRKSEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONSIDERATION OF CERTAIN MEASURES ON THE CALENDAR

Mr. MANSFIELD. Mr. President, pending the arrival of more Senators, I should like to have the Senate proceed to the consideration of measures on the calendar to which there is no objection. The measures to be considered have been cleared with the leadership on both sides of the aisle.

Mr. President, I ask unanimous consent that the pending business be temporarily laid aside and that the Senate proceed to the consideration of measures on the calendar to which there is no objection, beginning with Calendar No. 1983, and that the trade bill be again made the pending business following the call of the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed at the appropriate place in the RECORD an explanation of each bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

TOWNSITE LAWS APPLICABLE IN STATE OF ALASKA

The Senate proceeded to consider the bill (S. 3160) to amend the act of March 8, 1922, as amended, to extend its provisions to the townsite laws applicable in the State of Alaska, which had been reported from the Committee on Interior and Insular Affairs with amendments, on page 1, after the enacting clause, to strike out "That section 3 of The Act of March 8, 1922 (42 Stat. 415; 48 U.S.C. 376, 377, 377a), is amended to read as follows:" and insert "That section 3 of the Act of March 8, 1922 (42 Stat. 415), as amended (75 Stat. 384; 48 U.S.C. 376, 377, 377a), is further amended to read as follows:"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3 of the Act of March 8, 1922 (42 Stat. 415), as amended (75 Stat. 384; 48 U.S.C. 376, 377, 377a), is further amended to read as follows:

"SEC. 3. The Secretary of the Interior may (a) sell under the provisions of section 2455 of the Revised Statutes (43 U.S.C. 1171), as amended, or (b) make disposition under the following townsite laws, as amended: Sections 2380 and 2381 of the Revised Statutes (43 U.S.C. 711, 712); section 11 of the Act of March 3, 1891 (26 Stat. 1009; 48 U.S.C. 355); Act of May 25, 1926 (44 Stat. 629; 48 U.S.C. 355a–355d); and Act of March 12, 1914 (38 Stat. 305; 48 U.S.C. 301, 302, 303–308), of any lands in Alaska known to contain workable coal, oil or gas deposits, or that may be valuable for the coal, oil or gas contained therein, and which are otherwise subject to sale or disposition under said section 2455, as amended, or the said townsite laws, as amended, upon the condition that the patent issued to the purchaser thereof shall contain the reservation required by section 2 of this Act."

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 2022), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

Enactment of S. 3160 will eliminate a difference between the law governing the disposition of public lands under the townsite laws in Alaska and that governing the rest of the public land States by permitting tracts in Alaska to be sold subject to a reservation to the United States of coal, oil, and gas.

NEED

Provision is made in several townsite laws for the sale of public lands in Alaska. Under basic general law (Rev. Stat. 2318; 30 U.S.C. 21), however, lands valuable for minerals are reserved from sale unless expressly authorized by law to be sold. The act of July 17, 1914 (30 U.S.C. 121–123), which authorizes the disposition of public lands valuable for oil, gas, and certain other minerals, with the reservation to the United States of the minerals involved, is not applicable to Alaska. Accordingly, there can be no sales under the townsite laws in that State of lands which are deemed valuable for minerals even if the sale is made subject to a mineral reservation.

The act of March 8, 1922 (48 U.S.C. 376–377a), permits certain entries on, and sales of, public land in Alaska valuable for coal, oil, and gas provided reservation is made to the United States of the coal, oil, and gas.

S. 3160 would amend the 1922 act to permit the disposition of lands under the townsite laws in Alaska subject to the same reservation. It is anticipated that this will facilitate disposition of public lands in Alaska as well as the orderly development of the new State while protecting the public interest through a reservation of rights to coal, oil, and gas.

AMENDMENT

The committee amendment is a technical one, solely for the purpose of more precisely stating the citation of the act being amended.

COST

No increase in budgetary requirements is involved in S. 3160.

PRACTICES IN CONNECTION WITH PLACING OF MINOR CHILDREN FOR PERMANENT FREE CARE OR FOR ADOPTION

The Senate proceeded to consider the bill (S. 654) to amend title 18, United States Code, to make unlawful certain practices in connection with the placing of minor children for permanent free care or for adoption which had been reported from the Committee on the Judiciary, with amendments, on page 2, line 10, after the word "interstate", to insert "or foreign"; after line 12, to strike out:

"(b) The provisions of this section shall not apply in the case of money received or paid to a child care or adoption agency in any State, either public or private, which is authorized or licensed by said State to provide permanent care for children or to place children for adoption, as reimbursement for the reasonable and proper expenses of providing services by said agency.

And, in lieu thereof, to insert:

(b) The provisions of this section shall not apply in the case of (1) money received by or paid to a child-care or adoption agency in any State, either public or private, which is authorized or licensed by said State to provide permanent care for children or to place children for adoption, as reimbursement for the reasonable and proper expenses of providing services by said agency; (2) fees received solely for professional legal services in connection with the obtaining of an adoption decree; or (3) fees received solely for professional medical services in connection with the prenatal care of the natural mother or delivery, examination, or treatment of the child.

On page 3, after line 6, to insert:

"(c) Nothing in this section shall be construed to penalize (1) any person for placing or arranging for the placement of any child in any home for permanent free care or adoption, if such person is the natural parent of such child; or (2) any person who arranges or seeks to arrange for the placement in his home of a child for the purpose of adopting such child or providing him with permanent free care.

In line 21, after the word "interstate", to insert "or foreign"; on page 4, at the beginning of line 3, to strike out "from one State to another" and insert "in interstate or foreign commerce"; in line 7, after the word "adoption", to strike out "or"; in line 8, after the word "shelter", to insert a comma and "or (3) any person who arranges or seeks to arrange for the placement in his home of a child for the purpose of adopting such child or providing him with permanent free care."; in line 15, after the word "years", to insert "and"; after line 15, to strike out:

"(2) The term 'interstate commerce' means transportation of persons or property between one State or possession of the United States, the Commonwealth of Puerto Rico, or the District of Columbia, and another State or possession of the United States, the Commonwealth of Puerto Rico, the District of Columbia, or with a foreign country; and

And, at the beginning of line 22, to strike out "(3)" and insert "(2)"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title 18 of the United States Code is amended by inserting at the end of chapter 53, a new chapter as follows:

"CHAPTER 54—INTERSTATE PLACEMENT OF CHILDREN FOR PERMANENT FREE CARE OR FOR ADOPTION

"Sec.
"1181. Placing child for permanent free care or for adoption for compensation.
"1182. Coercion or enticement of parent.
"1183. Definitions.

"§ 1181. Placing child for permanent free care or for adoption for compensation

"(a) Whoever, either by himself or through any agent or employee, or other person, directly or indirectly, solicits, collects, or receives any money or any other thing of value, or the promise thereof, in any manner whatsoever, for placing, or arranging for the placement of any child in any home for permanent free care or for adoption, under circumstances requiring or resulting in such child being transported in interstate or foreign commerce, shall be fined not more than $10,000, or imprisoned not more than five years, or both.

"(b) The provisions of this section shall not apply in the case of (1) money received by or paid to a child-care or adoption agency in any State, either public or private, which is authorized or licensed by said State to provide permanent care for children or to place children for adoption, as reimbursement for the reasonable and proper expenses of providing services by said agency; (2) fees received solely for professional legal srevices in connection with the obtaining of an adoption decree; or (3) fees received solely for professional medical services in connection with the prenatal care of the natural mother or delivery, examination, or treatment of the child.

"(c) Nothing in this section shall be construed to penalize (1) any person for placing or arranging for the placement of any child in any home for permanent free care or adoption, if such person is the natural parent of such child; or (2) any person who arranges or seeks to arrange for the placement in his home of a child for the purpose of adopting such child or providing him with permanent free care.

"§ 1182. Coercion or enticement of parent

"Whoever, by himself or through any agent or employee or other person, whether in return for the payment or receipt of money or anything of value, or without any

IMPLICATIONS OF CRISES RESOLUTIONS

Mr. MANSFIELD. Mr. President, the Baltimore Sun of September 16 contains an exceptional editorial on the Cuban situation and the implications of resolutions on this or other critical situations.

I commend the editorial to the Senate and, particularly, to the Members of the Committees on Foreign Relations and Armed Services. Whether one agrees or not with this analysis of the constitutional implications of crises-resolutions—and may I say that I am inclined to agree—it is nevertheless a most thoughtful treatment of this question. Moreover, it points out some of the limitations on the efficacy of congressional resolving on issues of foreign relations. Most of all, it emphasizes the need not to forget that it is the President who bears the great burdens, the great responsibilities in foreign relations, regardless of what the Congress may resolve or not resolve. We can help him if we adjust our verbal assertions to the awesome decisions which he alone must make.

Mr. President, I ask unanimous consent that the editorial be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Baltimore (Md.) Sun, Sept. 16, 1962]

RESOLVED TO BE RESOLVED

President Kennedy's attempt to exert a calming influence upon the natives—the natives of the United States—has been well received except by a few of the tribal chieftains. Senator GOLDWATER, for example, calls last Thursday's policy statement on Cuba a mere reiteration of a "do-nothing" position. But the sound sense and forcefulness of the President's declaration have been generally persuasive with the public and with the Congress.

One reason for congressional acceptance is that Mr. Kennedy has agreed to the idea of a resolution expressing the Congress's support of a firm attitude toward Cuba. The administration proposes a resolution to the effect that the President has the authority to take any action he may decide is necessary to safeguard the United States. Some of Mr. Kennedy's political opponents want what they believe would be a stronger assertion, saying in effect that the Congress is granting the President special authority to act.

Of the two, the first is much to be preferred. The second is actually not stronger but weaker, since it suggests strict limitations on a President's power to act in any emergency anywhere, until after the Congress has specifically given him permission in each case. But neither resolution is, in our opinion, necessary or even desirable. We find this business of crisis resolutions a highly dubious device.

It can be granted that in the present instance a congressional resolution has a certain value as domestic tactics, allowing Members of the Congress to say to themselves, and to the voters back home, that they have "done something" about Cuba. It can be granted that White House agreement to a resolution serves as another pill, mildly sedative, in Dr. Kennedy's careful treatment of a fever that was rising toward the point where it began to affect the country's head. But these advantages, we believe, are outweighed by the disadvantages of crisis resolutions as a practice.

What purpose do they serve? Will a Cuban resolution of either model tell Castro and Khrushchev anything the President's policy statement did not tell them? It will not. Did the Formosa resolution requested by Mr. Eisenhower in 1955, and granted to him, have any part in preventing a Chinese attack on Formosa and the Pescadores? It did not: all it did was to display a President's personal doubts about the extent of his powers. Rather, these resolutions disturbingly declare something that should need no declaring—that we are resolved to be resolved, determined to be determined, that as a people and a Congress we support the President of the United States on vital issues of the national safety. They view the national will as something to be talked about, not the inner, silent strength that it is. They protest too much.

A resolution on Cuba is in the works, and should shortly be passed in some form. We urge that, except under extraordinary circumstances of a sort we cannot foresee, the employment of this hollow and deceptive gimmick be thereafter discontinued.

ORDER FOR ADJOURNMENT TO 10 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate concludes its session this evening, it adjourn to meet at 10 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRADE EXPANSION ACT OF 1962

The Senate resumed the consideration of the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes.

Mr. MANSFIELD. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is the Trade Expansion Act of 1962.

Mr. GORE. Mr. President, the reciprocal trade program was inaugurated in 1934 under the enlightened leadership of President Franklin D. Roosevelt and Secretary of State Cordell Hull. At the time the program was initiated, our Nation's economy was still struggling to emerge from the depths of the great depression which had been brought on in part by the misguided protectionist philosophy contained in the Smoot-Hawley Tariff Act of 1930.

When the program was first enacted, and each time it has been extended in the intervening years, doubts and fears were expressed about the ability of the American economy to survive without the artificial protection of high tariff walls. But, Mr. President, these doubts and fears have proved to be unfounded. Our economy has made tremendous strides in the more than a quarter of a century during which our tariffs have been progressively reduced. We have continued to maintain a favorable balance of trade during years of peace and we have provided economic support for all free nations in global conflicts to defeat aggression.

I have confidence, Mr. President, in the ability of American industry to adjust and to compete. Indeed, an expansion of mutually advantageous reciprocal trade is an essential element for a growing economy. We must build on the successful record of the past by providing legislative authority for the President of the United States to meet changing conditions in a changing world.

Of course, the most significant development in the world economy is the emergence of the European Common Market, which is rapidly taking form more successfully than even its proponents dared publicly to predict. The Common Market, in my opinion, represents not only a challenge, but an opportunity for American business, if we but seize it. We must take steps to insure that the products of our industry and of our agriculture have continuing access to this expanding market and to others that are developing throughout the world.

The bill before the Senate is not perfect. Few measures of such scope and importance meet fully the criteria established by any one person or organization. But I think it is a good bill. It was reported unanimously from the Finance Committee. It would provide to the President the essential authority needed to negotiate in behalf of American industry and agriculture and, in my opinion, it provides safeguards which will reasonably protect the vital interest of the Nation's security and the Nation's economic strength.

After all the statements of economic philosophy have been made, Mr. President, we wind up with the simple truism that a nation cannot expect to sell unless it is willing to buy. Indeed, the Nation cannot long sell unless it does buy—trade being a two-way street. The overall objective of the bill is to enable us to sell more and more of the produce of our farms and the products of our industry. During the course of the debate we shall undoubtedly hear much about the jobs of American men and women which will be imperiled by the anticipated increase in imports that will result from tariff negotiations and agreements. I hope also, Mr. President, that those who voice these prophecies of doom will give consideration to the jobs that will be created by a further expansion of our exports and by the further processing and distribution of those things we receive in exchange.

I have stated that I have full confidence in the ability of American industry to meet whatever challenge may arise. And there will be challenges, Mr. President. We cannot meet these challenges by complacent reliance upon artificial protections and indirect subsidy in the form of tariff. The pressure of imports can have a healthy effect upon our economy. We must not forget that they provide a form of competition that benefits the American consumer. Then, too, imports will encourage modernization, improved efficiency, and new techniques which will assure continued U.S. leadership as the bastion of economic strength in a free world that must remain strong if it is to remain free.

Indeed, Mr. President, our economy cannot be strong without imports. Many imports are not only needed for a healthy U.S. economy, but are absolutely necessary for our economy. In order to finance these necessary imports, in the long run maintaining a satisfactory balance-of-payments position, it is necessary for the United States to export. This does not mean that no American industry under any conditions is deserving of tariff protection. This is not a 100 percent free-trade bill. Indeed, that is not the policy of the U.S. Government, nor has it ever been.

Mr. President, in my view the bill will give the President the necessary tools with which, through the aid of able assistants, to bargain and negotiate effectively for the promotion of mutually beneficial trade among the nations of the free world.

It is with pleasure that once again I not only support a renewal and extension of the reciprocal trade agreements program, but also raise my voice in an attempt to persuade other Senators to do likewise.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

[No. 255 Leg.]

Aiken	Chavez	Robertson
Allott	Gore	Sparkman
Bartlett	Hayden	Talmadge
Beall	Hickey	Thurmond
Bennett	Hill	Wiley
Bible	Jordan, N.C.	Williams, Del.
Boggs	Kerr	Young, N. Dak.
Butler	Mansfield	Young, Ohio
Byrd, Va.	McGee	
Carlson	Randolph	

Mr. HUMPHREY. I announce that the Senator from North Dakota [Mr. BURDICK], the Senator from Nevada [Mr. CANNON], the Senator from Connecticut [Mr. DODD], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Montana [Mr. METCALF], the Senator from Utah [Mr. MOSS], the Senator from Maine [Mr. MUSKIE], the Senator from Oregon [Mrs. NEUBERGER], the Senator from Rhode Island [Mr. PASTORE], the Senator from Rhode Island [Mr. PELL], the Senator from Wisconsin [Mr. PROXMIRE], the Senator from Massachusetts [Mr. SMITH], and the Senator from New Jersey [Mr. WILLIAMS] are absent on official business.

I further announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Colorado [Mr. CARROLL], and the Senator from Alaska [Mr. GRUENING] are necessarily absent.

Mr. DIRKSEN. I announce that the Senator from South Dakota [Mr. BOTTUM], the Senator from Indiana [Mr. CAPEHART], the Senator from New Jersey [Mr. CASE], the Senators from Kentucky [Mr. COOPER and Mr. MORTON], the Senators from New Hampshire [Mr. COTTON and Mr. MURPHY], the Senator from New York [Mr. JAVITS], the Senator from Idaho [Mr. JORDAN], the Senator from California [Mr. KUCHEL], the Senator from Kansas [Mr. PEARSON], the Senator from Massachusetts [Mr. SALTONSTALL], the Senator from Pennsylvania [Mr. SCOTT], and the Senator from Texas [Mr. TOWER] are necessarily absent.

The PRESIDING OFFICER (Mr. HICKEY in the chair). A quorum is not present.

Mr. MANSFIELD. Mr. President, I move that the Sergeant At Arms be directed to request the presence of absent Senators.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

After a little delay Mr. BUSH, Mr. BYRD of West Virginia, Mr. CHURCH, Mr. CLARK, Mr. CURTIS, Mr. DIRKSEN, Mr. DOUGLAS, Mr. EASTLAND, Mr. ELLENDER, Mr. ENGLE, Mr. ERVIN, Mr. FONG, Mr. GOLDWATER, Mr. HART, Mr. HARTKE, Mr. HICKENLOOPER, Mr. HOLLAND, Mr. HRUSKA, Mr. HUMPHREY, Mr. JACKSON, Mr. JOHNSTON, Mr. KEATING, Mr. KEFAUVER, Mr. LAUSCHE, Mr. LONG of Missouri, Mr. LONG of Hawaii, Mr. LONG of Louisiana, Mr. MAGNUSON, Mr. MCCARTHY, Mr. MCCLELLAN, Mr. MCNAMARA, Mr. MILLER, Mr. MONRONEY, Mr. MORSE, Mr. MUNDT, Mr. PROUTY, Mr. RUSSELL, Mr. SMATHERS, Mrs. SMITH of Maine, Mr. STENNIS, Mr. SYMINGTON and Mr. YARBOROUGH entered the Chamber and answered to their names.

The PRESIDING OFFICER. A quorum is present.

TRADE EXPANSION ACT OF 1962

The Senate resumed the consideration of the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes.

The PRESIDING OFFICER. The bill is open to further amendment.

CEREMONIES AT FIRST DAY ISSUANCE OF SPEAKER SAM RAYBURN COMMEMORATIVE STAMP, BONHAM, TEX.

Mr. YARBOROUGH. Mr. President, on September 16, 1962, the late Speaker Sam Rayburn was honored in commemorative exercises in Bonham, Tex., with the first issuance of the Sam Rayburn commemorative stamp.

A great throng of people gathered on the southwest steps of the Rayburn Memorial Library to participate in ceremonies honoring the greatest Speaker in the history of the United States.

I ask unanimous consent to have printed at this point in the RECORD the program of this historic occasion.

The PRESIDING OFFICER. Is there objection?

There being no objection, the program was ordered to be printed in the RECORD, as follows:

SAM RAYBURN STAMP COMMEMORATIVE PROGRAM, SEPTEMBER 16, 1962, SAM RAYBURN LIBRARY, BONHAM, TEX., 2:30 P.M.

Choice Moore, master of ceremonies.

National anthem: Bonham High School Band, James A. Taylor, director.

Invocation: The Reverend Jack Carson, pastor, First Baptist Church, Bonham, Tex.

Welcome and recognition of distinguished guests: Choice Moore.

Official proclamation of Sam Rayburn Library Day: Hon. Frank P. Lake, representing Governor of Texas.

Presentation of portraits: Mrs. Lily V. Leonard.

Speech of acceptance: Hon. Lloyd M. Bentsen, Jr.

Introduction of the Honorable RALPH YARBOROUGH, James A. Turman, speaker, Texas House of Representatives.

Address: Hon. RALPH YARBOROUGH, U.S. Senator.

Introduction of distinguished representatives of Post Office Department and introduction of the representative of the Postmaster General: W. M. McMillan, regional director, Post Office Department, Dallas, Tex.

Address: Mr. Frederick C. Belen, Assistant Postmaster General.

Remarks and introduction of the Vice President of the United States: Hon. RAY ROBERTS, Congressman, Fourth District of Texas.

Address: Hon. LYNDON JOHNSON, Vice President of the United States.

Benediction: Elder H. G. Ball, Tioga Primitive Baptist Church.

Preprogram music by Bonham High School Band, James A. Taylor, directing.

THE SAM RAYBURN STAMP

On the day of Speaker Sam Rayburn's death, November 16, 1961, the Citizens' Stamp Advisory Committee was meeting and immediately approved issuance of a Rayburn stamp. Postmaster General J. Edward Day made the announcement in a New York speech the following evening.

In the multicolor, vertical stamp, Sam Rayburn stands impressively before the Capitol dome. Graduated tones of brown and blue give the stamp a three-dimensional effect. It is 0.84 by 1.44 inches, printed on the Giori presses and issued in panes of 50. The initial printing was 120 million.

Robert L. Miller, of the Bureau of Engraving and Printing, designed the stamp, basing the portrait on a photograph appearing in House Document 247 of the 87th Congress, "The Leadership of Speaker Sam Rayburn." Portrait and vignette are by Charles A. Brooks, and lettering and numeral by William R. Burnell.

The commemorative stamps were first sold in Mr. Rayburn's hometown of Bonham, Tex., on September 16, 1962, the 22d anniversary of his election as Speaker of the House of Representatives, and in all other post offices of the Nation on September 17, 1962.

THE SAM RAYBURN LIBRARY

The Sam Rayburn Library is located at Bonham, Tex., near the home of the late Speaker. It is maintained and operated by the Sam Rayburn Library Foundation as a free public library. The foundation is now seeking to raise an endowment to enable it to create a major research center in political science, with supporting scholarships for students in that field of study. This, it is hoped, will be a permanent living memorial to Sam Rayburn. Members of the foundation board of trustees are R.M. McCleary, chairman; Buster Cole, Ray Manning, H. G. Dulaney, Mrs. John Palmore, Mrs. Joyce Rayburn Lightfoot, and Robert B. Anderson. An honorary member is H. A. Cunningham.

Mr. YARBOROUGH. Mr. President, I ask unanimous consent to have printed

are dragooned into "socialist Sundays." They are supposed to be volunteers to save sugar crops. Women also cut hay, pick coffee and cotton and do other agricultural labor.

Mr. Castro announced a year ago plans for a system of "corrective labor" for prisoners, sounding much like the forced labor of other Red nations.

The regime constantly nags workers about greater production. There is even a board of "volunteers" supervising sports, called "Listo para Vencer" (Ready to Win). This copies the Soviet organization Gotov (initials standing for "Ready for Labor and Defense").

YOUTH

Cuba now has a Communist Youth Union, with the same cell structure which marks the Soviet Young Communist League (Komsomol). Its purpose, said Mr. Castro, is to "mold youth into a Communist attitude * * * war against intrigue * * * against gossip, against rumors behind the back * * * to correct errors of others."

There is an organization committee controlling all activities of students during both school and vacation time. It guards against absenteeism, watches student unions, mobilizes students for work in the fields, provides monitors to watch teachers, presides over sports and all student activities.

INTERNAL ENEMIES

All the ills of an emerging Communist regime afflict Cuba: shortages, hoarding, black marketing, clandestine slaughter of livestock. Those who complain are labeled "enemies of the people."

In a Catholic country, the regime goes slowly about cracking down on religion. Mr. Castro proclaims religious freedom, but church activities are curtailed and confined inside church buildings.

The regime carries on a gigantic indoctrination campaign. Hundreds of thousands of Communist manuals are distributed. Communist boss Blas Roca's "Fundamentals of Socialism in Cuba" was distributed in 700,000 copies—1 for each 10 or fewer persons.

THE APPARATUS

In prerevolutionary days, the Communists played ball with the Batista regime, entrenched themselves in the labor movement, and even opposed the 26th of July revolutionary movement. After the revolution, the Popular Socialist (Communist) Party was the only organized party allowed to operate. It infiltrated every department of the regime, up to the highest positions.

A year ago Mr. Castro announced—it seemed a bit reluctantly—all revolutionary organizations would be merged into one, the ORI (Integrated Revolutionary Organizations). This, he said, would eventually become the "united party of the Socialist revolution." The regime laid down plans for complete control of the economy and set up "committees of defense"—more than a half million strong. That meant 1 spy for every 12 Cubans, man, woman, and child.

The Communists now let it be known they regard the 26th of July movement as having been "the national liberation" phase, according to Khrushchev-era doctrine. The July 26 movement is defunct. The Communists hold that Cuba has entered a new stage of "building socialism." The ORI, for all pratical purposes, already is the single party. Organization is going forward on the time-tested pyramid-cell basis, which assures central control. When the united party emerges formally, membership will be limited to "those who fulfill Leninist conditions."

There has been conflict between the wily old guard Communists and the so-called new Communists recruited from Mr. Castro's original followers. The old guarders, under Red Chieftain Blas Roca, leave little doubt they intend to rule. Mr. Roca holds a dominating position in the ORI, although posts in the secretariat have gone to Mr. Castro's bearded Communists of the "new" group.

Havana radio this spring admitted there had been a struggle, calling it "a battle which culminated in the dismissal of (Anibal) Escalante as secretary of the ORI." Mr. Escalante, an old line Communist, was expendable to avoid outward signs of internal conflict. He is now in Eastern Europe.

The fight arose over Mr. Castro's loud determination to be more equal than his supposed equals in the collective. The old guard Communists have to live with him, since to many Cubans and Latin Americans he symbolizes national sovereignty. He is also the only man in the regime who commands any marked degree of loyalty.

THE OUTLOOK

On the surface, Mr. Castro still does not appear to have lost any of his authority, but that is only a surface appearance. The old guard Reds weave their power web carefully, move slowly. The time is approaching for the final phase of envelopment. When Mr. Castro's presence is no longer necessary, when he has taken all the blame for Cuba's economic disaster, he can safely be put aside, and that will be managed by men responsible to Moscow.

Right now, Blas Roca, Carlos Rodriguez and old guard Communists seem to be spending much of their time trying to outfox Mr. Castro. The bearded premier appears to flounder more and more in a morass of mixed-up ideology. Is he being insidiously undermined by the old guard? There is much evidence to suggest that he is, and he seems resentful.

A month ago, Mr. Castro addressed a congress of secondary school students and found himself embroiled in an incoherent wrangle with his audience. Mr. Castro had mentioned a revolutionary song in his speech and the students yelled demands that he sing it. Mr. Castro argued and cursed them obscenely.

"I don't know how to sing, I won't sing. That is final * * * it's impossible to speak here." He let out another string of profanity. There were "idiots" around, in spite of the revolution, he shouted.

Screams and laughter greeted his words. It was 8 minutes before the students could be quieted and Mr. Castro could get on with a rambling, sometimes incoherent talk. He may have been drunk—or he may have been confused and angered by the pressure of forces he did not fully understand, forces threatening him.

When Mr. Castro finally is shoved aside it will be small consolation for the United States. It will mean Moscow's domination is complete.

Mr. DIRKSEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HARTKE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. RANDOLPH in the chair). Is there objection? The Chair hears none, and it is so ordered.

Mr. HARTKE. Mr. President, I yield to the Senator from Ohio.

URBAN MASS TRANSPORTATION ACT OF 1962

Mr. LAUSCHE. Mr. President, last week on the floor of the Senate the mass transportation bill was discussed. I opposed that bill.

I wish to call the attention of Senators to what the proposal has already done in Cleveland, Ohio. In Cleveland, Ohio, there is a publicly operated system, managed and directed by a transit board. The Cleveland Transit Board definitely had in mind building an extension of the transit system from downtown Cleveland to the Cleveland Airport. The plan was in the making and in the process of being executed. Then came word from Washington that Congress might enact a law that would make available gifts of $2 by the Federal Government for every $1 put up by the local people for the improvement of mass transportation. As could have been expected, the Cleveland Transit Board, learning that a largess was to come from Washington, decided to postpone the development of their plan.

I now wish to read what was published by the Cleveland Plain Dealer with regard to the subject:

EXCUSES EXPLODED

When Allen J. Lowe and Charles P. Lucas recently switched their position on carrying through with their proposal to extend the CTS rapid transit to the airport, we indignantly demanded the real reasons for their switch.

So far they have given none.

Not only that, but the feeble excuses which Lowe gave at the meeting have broken down.

Lowe said that he was pinning his hopes for financing the CTS part of the project on the Federal transit subsidy bill.

This multimillion-dollar grab bag is another attempt by the Federal handout kings to invade the field of local authority and to load us with new mountains of debt.

* * * * *

Even if the thing should lamentably be passed there's no promise that Cleveland would get allocations from it. Every large city in the country will be at the trough for the gravy if transit subsidies ever are poured out.

The malignancy of the Federal subsidy system, whether subsidies actually are given or not, is seen in what has happened here. The mere talk of a possible handout is used as an argument against doing something locally that should be handled locally.

Lowe's other explanation for his switch, in which fellow CTS Board Members Lucas followed, was that until 1970 the CTS couldn't have enough funds for its part of the extension costs, even with the special economies that they had supported earlier. But he admitted last week that he had forgotten that the CTS could help its financing through equipment trust certificates.

Again we call for a rescinding by Lucas and Lowe of their September 6 action so they can put the rapid transit extension back on the track.

The editorial clearly and properly describes what the ultimate impact of the proposed Federal handout will be. Here is a community that contemplated the extension of its rapid transit system without Federal aid. They were in the process of going forward. A plan had been developed. The objective sought was clearly in mind. But along comes the Federal Government with the proposal: "We will give you money for which you will have to pay nothing."

What do Senators expect the transit board to do? Perhaps the board could have risen to high patriotic levels by

saying to those in authority in Washington, "We will not ask for your largess. We will build the system ourselves."

But two of the members of the board thought that it would be best for Cleveland and the country to wait, thus giving encouragement to the Federal Government to begin the proposed new plan of buying buses, trolleys, and terminals for every crossroad community in the United States.

Where will it lead? If the Federal Government intends to give money to governmental bodies for the development of their transportation systems, in my judgment there will be only one end, and that is Federal governmental ownership of the system.

What a frightening, dampening, depressing impact. Here are people who wish to be independent. They wish to solve their own problems and to do things in the true American way. They are dissuaded from following that course by the bait held dangling by the U.S. Congress and the administration. They are told, "Do not be independent. Do not be self-reliant. Wait and the Federal Government will give you things for nothing."

How can we compare that philosophy with the philosophy of the men who, 175 years ago, on the 17th day of September, wrote the Constitution of the United States?

Did they contemplate this policy of largesse and gifts by our Government? Were they cringing persons who depended upon gifts, or were they courageous individualists who believed in the free enterprise system and that our Nation would triumph, and that the welfare of our people would be promoted?

The questions answer themselves.

What we are doing today is in complete conflict with everything that was done by those men who signed the Constitution on September 17, 1787.

I regret that this is happening in my city of Cleveland, but I am pleased to note that the chairman of the Cleveland Transit Board has announced his willingness to appear before the Committee on Commerce and there to oppose the bill.

A "chocolate drop" was held out. It is sweet on the outside, but within there is poison—poison to our system. It will be swallowed by many. They will take it with great glee, but the ultimate price to be paid, in my judgment, eventually will be a loss of every right and liberty that our forefathers had in mind 175 years ago when they signed the Constitution.

TRADE EXPANSION ACT OF 1962

The Senate resumed the consideration of the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes.

Mr. HARTKE. Mr. President, I rise today to call to the attention of the Senate that soon this body will have the opportunity to vote on the Trade Adjustment Act of 1962. This measure generally is just referred to as the trade bill.

To call it the Trade Adjustment Act of 1962 is truly an appropriate name for it is an adjustment in every true sense of the word. It means that America is adjusting its thinking to modern day living, and is looking to the future for her people to insure more jobs, more business, and a stronger all-around economy.

I should like to point out, Mr. President, that some of the ideas in this Trade Adjustment Act proposal are not necessarily new, in that recommendations were made in March 1960, when the Special Committee on Unemployment Problems submitted its report to the Senate. This committee, of which I was proud to serve as a member, was chaired so ably by my distinguished colleague from Minnesota [Mr. McCARTHY]. One of the aspects of the Trade Adjustment Act of 1962 which some have widely discussed with possible apprehension is the adjustment assistance section of the bill.

I point out at this time that if it had not been for the able cooperation of the distinguished Senator from Tennessee [Mr. GORE], that this section probably would have been stricken from the bill. The administration owes him a special vote of gratitude and commendation because I know the struggle he went through in order to make it possible to report the bill in its present form.

Mr. GORE. Mr. President, will the Senator yield?

Mr. HARTKE. I am happy to yield.

Mr. GORE. Mr. President, I am indeed grateful for the generosity of my friend the able Senator from Indiana. As the Senator knows, in general I have been in full and strong support of the Kennedy administration in the field of foreign policy, in the field of international economics, and in the field of mutual assistance with our allies and friends of the free world.

Upon occasion, conscientious conviction has led me into opposition to the position of the administration on domestic affairs. Perhaps it is in recollection of some of these events that my distinguished friend now expresses this gratitude for my cooperation in this case. I appreciate it very much. I thank him.

Mr. HARTKE. I say this in full recognition of the manner in which the Senator conducts himself not only in committee, but also on the floor of the Senate in protecting the rights of the people of the United States in every aspect and on every subject of legislation.

I know that the President of the United States appreciates the fine cooperation of the Senator, and realizes that in this case the Trade Adjustment Act of 1962 would not have reached the floor in its present form if it had not been for the singular cooperation of the distinguished Senator from Tennessee.

I have no apprehension about this part of the bill. Our Special Committee on Unemployment Problems made this same recommendation in 1960—during the 2d session of the 86th Congress—and I quote from the committee report, page 124, No. 6(b):

> Enactment of adjustment legislation to relieve the impact of international trade policies on employees, business, and communities adversely affected.

I am proud that the authors of the Trade Adjustment Act of 1962 have seen fit to incorporate the Special Committee on Unemployment Problems recommendation, for the adjustment assistance section of the Trade Adjustment Act does just this.

In his testimony before the House Ways and Means Committee and like testimony before the Senate Finance Committee, the Honorable Luther Hodges, our able and distinguished Secretary of Commerce stated during the House hearings:

> I have explained why I do not expect many firms or workers to be adversely affected by trade agreements negotiated under the Trade Expansion Act. But realism requires that we be prepared for local instances in which firms or workers suffer hardship as a result of increased imports.
>
> The Federal Government has a special responsibility to such firms and workers. For their hardship can be directly traced to a specific action undertaken by the Government for the good of all—the lowering of trade restrictions in order to open up new markets for our goods abroad. As the President has said, no industry or work force should be made a sacrificial victim for the benefit of the national welfare. No small group of firms and workers should be made to bear the full burden of the costs of a program whose great benefits enrich the Nation as a whole.
>
> Tariff relief is not always a satisfactory or sufficient remedy for the import problem. I believe that trade adjustment assistance can and will be a most effective, supplementary device. Tariff relief without positive action may protect an inefficient company that cannot compete. Escape-clause relief should be only a short-term remedy, used only in extraordinary circumstances to allow time for adjustments to foreign competition. Adjustment assistance is designed to help firms to adjust on a more permanent basis.

Further, Mr. President, Hon. Arthur J. Goldberg, former Secretary of Labor, accompanied by the Honorable W. Willard Wirtz, testified as to the need and the reasons for the adjustment assistance phase of the Trade Adjustment Act. In his testimony before the House Ways and Means Committee—hearings before the House Ways and Means Committee, 87th Congress, 2d session, on H.R. 9900, part II, page 726—Secretary Goldberg said:

> The reasons for proposing a trade adjustment assistance program: The United States has traditionally recognized that some protection should be given to American firms and workers who are faced with serious import competition. However, until now that protection has been exclusively supplied by tariffs or other import restrictions which had the effect of restricting foreign competition and generally subsidizing inefficient domestic producers.
>
> There are situations where such restrictions are still appropriate. As Secretary Hodges and Under Secretary Ball have testified, the proposed act retains these traditional protective features—the reservation of items from tariff negotiations, the adjustment of imports which threaten national security, and where no other solution is possible, the increase or imposition of duties or restrictions on imports which are found to be causing or threaten to cause serious injury to an industry.

However, such features are no longer adequate as the only or even primary means of responding to import competition. They are inadequate because they do not provide sufficient flexibility in adjusting to changing patterns of international trade. The United States needs the means to assist American firms and workers to adjust to the competition they face. Only in this way can our trade continue to grow to the maximum advantage of ourselves and our trading partners. Only in this way can we adequately assist those Americans who find themselves unable to compete with imports.

The Trade Expansion Act of 1962 would provide the necessary means to assist firms and workers to adjust to import competition. Let me emphasize that such adjustment does not necessarily mean a change of jobs or line of production. It may mean simply increased efficiency or skill in one's present work or business so that foreign competition can be met in the marketplace and not shut off at the port of entry.

Let me also emphasize that the President's program will not involve the creation of a vast Government bureaucracy. To a great extent it will utilize the services and facilities of existing programs and agencies throughout the Federal establishment as well as State agencies. Moreover, it will not be a program of permanent Government paternalism. It will be, instead, as the President has stated, "a program to afford time for American adaptability and American resiliency to assert themselves."

The importance attached to affording time for change is illustrated by one of the most significant of the adjustment features—the "staging" requirement contained in section 243. Under this section, in order to enable American firms and workers to adjust to the effects of reductions or elimination of duties or other import restrictions, such reductions or eliminations would be put into effect at a rate no greater than that of equal annual installments over a 5-year period.

As I have indicated, the overall effects of our expanded trade policy will benefit American workers. However, its immediate effects on some industries, firms, and workers may be adverse. Some workers may lose their jobs, and for some of these, their hope of reemployment may depend on their acquiring a new skill, or changing to another industry; some may even have to move to a different location. This occurrence, however, is common in our competitive economy.

We do not expect that many workers will lose their jobs because of tariff concessions in the years ahead. The gradualness with which such concessions will be put into effect will greatly minimize any displacement. While our estimates are quite rough, we believe that an average of less than 18,000 per year would be laid off because of increased imports in the 5 years of the proposed bill's operation. In this connection it must be remembered that increased numbers of workers will find employment due to new export opportunities opened up by the new legislation.

It should be noted that these numbers include not only those who will be affected by tariff concessions under the proposed bill but a substantial percentage who will affected by concessions already granted.

It should also be recognized that this estimate of the average number who will be adversely affected by imports is only 2½ hundredths of 1 percent of the labor force.

Small as this number is, the problems can be serious for some of the individuals affected. Since their problems will have been precipitated by a positive Government policy taken in the national interest, the Government's obligation to assist them is clear.

One of the best ways to help workers who have lost their jobs, who have been put on a part-time basis, or who are threatened with total or partial unemployment is to assist their employer in order that he can fully employ them once again. Only in this way can the seniority, pension, and other accumulated job benefits of workers be fully protected.

Mr. President, I should like to add that the Department of Labor and Department of Commerce have estimated that for every billion dollars in export trade by the United States, 150,000 additional jobs will be provided in this country. With the life of this Act at 5 years, assuming that we only export $1 billion each year—there may be more, of course—this would mean 750,000 jobs in 5 years. However, this does not include the extraneous side jobs brought about indirectly by export trade, as to which there is no way to estimate the affect they will have on decreasing the number of unemployed.

Mr. President, many other facets of the Trade Adjustment Act of 1962 are worthy of discussion, but we will consider these in time as the debate on the bill progresses in the Senate. I merely point out that Adjustment Assistance, as referred to in the bill, is the result of the adoption of a special committee's recommendation. Having served on the special committee, I know the recommendation to be valid; and to have it made a part of the Trade Adjustment Act of 1962 will be a giant step forward in America's economy and will result in the elimination from the American scene of more of her unemployed people.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

[No. 256 Leg.]

Bartlett	Gore	Miller
Beall	Hart	Monroney
Bennett	Hartke	Randolph
Bible	Hayden	Smith, Maine
Bush	Hickenlooper	Sparkman
Byrd, W. Va.	Hickey	Stennis
Carlson	Hill	Talmadge
Chavez	Hruska	Wiley
Church	Jordan, N.C.	Williams, Del.
Dirksen	Kefauver	Yarborough
Ellender	Kerr	Young, N. Dak.
Engle	Mansfield	Young, Ohio
Fong	McGee	
Goldwater	McNamara	

The PRESIDING OFFICER. A quorum is not present.

Mr. MANSFIELD. Mr. President, I move that the Sergeant at Arms be instructed to request the attendance of absent Senators.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

After a little delay Mr. AIKEN, Mr. ALLOTT, Mr. BOGGS, Mr. BUTLER, Mr. BYRD of Virginia, Mr. CLARK, Mr. CURTIS, Mr. DOUGLAS, Mr. EASTLAND, Mr. ERVIN, Mr. HOLLAND, Mr. HUMPHREY, Mr. JACKSON, Mr. JOHNSTON, Mr. KEATING, Mr. LAUSCHE, Mr. LONG of Missouri, Mr. LONG of Hawaii, Mr. LONG of Louisiana, Mr. MAGNUSON, Mr. MCCARTHY, Mr. MCCLELLAN, Mr. MORSE, Mr. MUNDT, Mr. PROUTY, Mr. ROBERTSON, Mr. RUSSELL, Mr. SMATHERS, Mr. SYMINGTON, and Mr. THURMOND entered the Chamber and answered to their names.

The PRESIDING OFFICER (Mr. HICKEY in the chair). A quorum is present.

Mr. MANSFIELD. Mr. President, as there seems to be no further amendment to be offered, I ask for third reading.

LEAVE OF ABSENCE

Mr. DIRKSEN. Mr. President, the distinguished Senator from Colorado [Mr. ALLOTT] has been appointed a representative to the United Nations. He will undertake his functions today, Tuesday, and Wednesday. I therefore ask that he be given official leave of the Senate.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

TRANSPORTATION LEGISLATION

Mr. CARLSON. Mr. President, the Arkansas City Chamber of Commerce wrote me under date of September 11 expressing its views in regard to Senate bills 3242 and 3243.

I ask unanimous consent that the letter be made a part of these remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE ARKANSAS CITY
CHAMBER OF COMMERCE,
Arkansas City, Kans., September 11, 1962.

FRANK CARLSON,
New Senate Office Building,
Washington, D.C.

DEAR SIR: Please refer to our resolution of July 17, 1962, supporting Senate bills 3242 and 3243. Subsequent our action the industrial members our traffic committee recorded objections to this proposed transportation legislation and requested we rescind our support and to also record our objections thereto.

1. Object to new paragraph 23 amending section 1 of Interstate Commerce Act to exempt rail carriers from minimum rate regulation for transportation of bulk farm commodities, etc.

2. Removal of Interstate Commerce Commissions jurisdiction from carriers minimum rate establishments could be ruinous to local grain, flour and meatpacking industries.

3. Irreparable damage might be suffered by shippers, carriers, and localities before corrective steps could be taken under antitrust laws.

4. This legislation is not in the public interest since only a minimum of protection is afforded the shipping public.

5. To further extend deregulation can only enlarge the area for discriminatory practices.

We request corrective entry be made in CONGRESSIONAL RECORD withdrawing our support of this proposed transportation legislation, and the reasons therefor.

H. P. GIBSON, *Manager.*

PROTECTIONISM

Mr. WILLIAMS of Delaware. Mr. President, recently the New York Times published an editorial entitled "Protectionism Has Had Its Day." Thereafter the Senator from Connecticut [Mr. BUSH] wrote a very excellent reply to the editorial. I ask unanimous consent that both the editorial and the reply of the Senator from Connecticut be printed in the body of the RECORD at this point in my remarks.

There being no objection, the editorial and the letter to the editor were ordered to be printed in the RECORD, as follows:

PROTECTIONISM HAS HAD ITS DAY

The protectionists are mounting a desperate last-ditch stand against the administration's proposed Trade Expansion Act, which is being considered in the Senate Finance Committee before going to the Senate itself. They have chosen their battleground well, for the Senate is traditionally sensitive to protectionist pressure, particularly in election years.

There is nothing particularly subtle about the strategy being employed by opponents of the trade bill. They are appealing to Senators from areas that might be hurt by trade expansion. They recognize that an outright defeat of the measure is beyond their powers, so they are in favor of a compromise that would undercut the basic purposes of the bill.

The President's ability to obtain concessions from abroad will of course be severely curtailed if protection is granted to specific domestic industries. By the same token, trade will be reduced if the protectionists are successful in killing off "adjustment assistance" for plants and workers, which is being attacked as a device to permanently enlarge Government activities.

Inevitably, trade expansion will bring hardships. The provision of adjustment assistance, however, will cushion the shock. But it is not to be a permanent subsidy, nor will it protect the inefficient. On the contrary, it is aimed at increasing the competitiveness of industry and enhancing the technical skills of labor. In the long run, this will contribute to trade expansion.

Reform of our antiquated tariff structure, like tax reform, is long overdue. Trade cannot expand, nor can American industry maintain its competitive strength by resorting any longer to protectionist measures. An efficient and growing economy depends on accepting the disciplines imposed by competition. Though gaining access to world markets will not by itself guarantee growth, any other course, particularly artificial protectionist barriers, would be a deterrent.

Protectionism has had its day; but the protectionists, who are unwilling to face the challenge of foreign competition, will go on fighting until they are decisively defeated. This is what the Senate can accomplish by rejecting any compromise that would curtail the President's bargaining authority. For what is at stake is not only expanding trade, but strengthening the competitive position of the American economy.

BUSH ASSESSES TRADE ACT

To the Editor of the New York Times:

I was interested in your editorial of September 11 "Protectionism Has Had Its Day," and suggest it is not a fair appraisal of the current situation.

As a former member of the Randall Commission in 1953–54 and as one Senator who has consistently supported the Trade Agreements Act and its extensions heretofore, I must point out that protectionism has not had its day, but, unfortunately, is flourishing by action of the Kennedy administration on a highly discriminatory basis.

In an effort to rally support for the bill, the administration appears to have assured protection to the petroleum industry. It accepted substantial increases in protection for the glass and carpet industries as recommended by the Tariff Commission. It approves extreme protectionism for agriculture. It evidently intends to continue protection for lead and zinc.

DISARMING OPPOSITION

The politically powerful textile industry, greatly disturbed by the recent decision of the Tariff Commission, now appears to be negotiating with the administration for some sort of agreement for additional protection, in order to disarm its opposition to the pending Trade Expansion Act.

In contrast, small industries are discriminated against. The poor little pin industry, consisting of about four companies who manufacture all the pins in the United States, received favorable recommendations for relief from the Tariff Commission, but this was denied by the administration.

It will be interesting to see in the coming weeks what attitude the administration takes with respect to protection for lumber and shoes.

If the administration is not to abandon the "no injury" policy adopted by Secretary Hull and approved by Presidents Roosevelt, Truman, and Eisenhower, the "no injury" policy should be available to the defenseless as well as those who have strong political influence.

Your editorial criticizes those who seek equality in safeguards for all industry under the pending Trade Expansion Act, but fails to recognize that the political price of getting this act on the books will be the extension of solid protection on a highly discriminatory basis to strong and powerful segments of American commerce, industry, and agriculture.

PROTECTING THE STRONG

The amendments which I have introduced to this pending measure are designed to provide "equal justice under law." Unless and until we are ready to abandon protectionism entirely, I think it unfair to discriminate sharply in favor of politically powerful groups and against weaker groups, particularly in the manufacturing business.

Implicit in title 3 of this bill, dealing with so-called adjustment assistance, is the intention of the administration to permit serious injury to large segments of American industry and large groups of American workers. Extraordinary and discriminatory provisions are made for helping these victims.

Particularly objectionable is the treatment accorded workers disemployed by imports under the bill. This group will be afforded special doles, special training and special expenses money not accorded to that 5.8 percent of the work force who are unemployed for other reasons. Why discriminate between the unemployed? This seems unnecessarily harsh and cruel to the 4 million persons unemployed for other reasons beyond their control.

PRESCOTT BUSH,
U.S. Senator From Connecticut.
WASHINGTON, *September 12, 1962.*

TRADE EXPANSION ACT OF 1962

The Senate resumed the consideration of the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes.

The PRESIDING OFFICER. The bill is open for amendment.

Mr. MANSFIELD. I ask for the third reading. The performance by the Senate today is most disheartening. The Senate has been in session since 10 o'clock this morning. There have been quorum calls on seven or eight occasions. Finally, after great effort, we were barely able to get a quorum on two occasions.

There is before the Senate the most important bill of the 87th Congress. We have heard talk about amendments, but no amendments are being offered.

The Senate is not showing itself in a very good light by the way it is conducting the affairs of the Nation. I realize that under the orders of the Senate two committees are meeting. The members of those two committees can be excused from attendance, because they are carrying out their duties. On the other hand, it seems to me that too many Senators believe that another Senator will be present and will look after his business and the business of the Senate, and in that way take advantage of a situation such as exists now on the floor of the Senate.

Mr. President, this is not Saturday. This is Monday. If Senators were present and working together, there would be a reasonably good chance of adjourning sine die 2 weeks from this Saturday. However, if the Senate is to operate in this fashion, all I can say we might as well expect to remain in session well into November, because no one will transact the business of the Senate if we do not do it ourselves.

To take care of the situation with which we are faced, I now move that the Senate stand in adjournment until 10 o'clock tomorrow morning.

Mr. BUSH. Mr. President, will the Senator withhold his motion for a moment?

Mr. MANSFIELD. I will, reluctantly.

Mr. DIRKSEN. Mr. President, I can fully understand the rather difficult and awkward situation in which the majority leader finds himself.

Mr. MANSFIELD. Both of us.

Mr. DIRKSEN. In which I find myself also. I quite agree. There is a responsibility to move the Senate along, particularly on important legislation.

However, there are some things that ought to be said by way of comment on the situation that confronts the Senate. First, the pending bill was reported late last week. I am confident that the final text was not available to a good many Senators who had amendments to submit. In final form, the paging and paragraphing were quite different. In the case of the distinguished Senator from Connecticut [Mr. BUSH], I know that he had to recast the amendments he intended to offer in order to make sure that they were proposed for insertion at the proper place in the bill. I believe that an equivalent situation confronted the distinguished occupant of the chair [Mr. HICKEY], who also has amendments which he proposes to offer.

Certainly that can be said by way of extenuation for not offering amendments at this time. They must be inserted at the proper place and also must be properly prepared and presented.

For that reason I can see an extenuation of circumstances which does in fact mitigate the feeling entertained by the distinguished majority leader and myself.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. MANSFIELD. Yes; but first I should like to respond to the comments of the distinguished minority leader.

The bill was reported on Friday. The staff of the committee worked Friday night, Saturday night, and Sunday night

to have the bill ready for consideration by the Senate, and to place the hearings on the desk of each Senator. I do not know what more could have been done.

The chairman of the committee, the distinguished senior Senator from Virginia [Mr. BYRD] was here bright and early this morning, as always, to lead off the debate, in advocacy of the passage of the bill.

To me, it was not very heartening to see what has been referred to as the most deliberative body in the world—and I am afraid that all too often that is what it is—make a spectacle of itself so far as concerns the most important piece of proposed legislation to come before the Senate at this session.

Some 39 Senators are running for reelection. Do they want the Senate to remain in session until November 6 or 7, the day of election? I do not care. I am not running for reelection this year. But I think we ought to consider the interests of all Senators; and the only way we can do so is by being on the job and doing what we are paid to do; namely, to look after the Nation's interests and to consider important legislation when it is before us.

I yield to the Senator from Connecticut.

Mr. BUSH. Mr. President, I sympathize very much with the mood of disenchantment of the majority leader concerning the Senate at this time.

Mr. MANSFIELD. It is nothing new, let me tell the Senator from Connecticut.

Mr. BUSH. I fully sympathize with him. I think he is justified in being quite upset.

Speaking for myself, I disassociate myself with any attempt to stall or delay the proceedings.

Mr. MANSFIELD. No one has used the words "stall" or "delay."

Mr. BUSH. I did not say they had been used. I used them because I wish to make it clear, in view of what I am about to say next, that I am not in that kind of mood; I am very desirous of facilitating the business of the Senate.

I was not in the Chamber early this morning because I was in attendance at a joint meeting of the Committee on Armed Services and the Committee on Foreign Relations, where a resolution of which I am a joint sponsor with the distinguished junior Senator from New York [Mr. KEATING] was to be considered. The Senator from New York was to testify in favor of our cosponsored resolution, and I felt it necessary to be present.

I should like to ask the majority leader a question. If the Senate adjourns now, how will it be possible for me to submit amendments to the trade bill? We are working hard on them.

Mr. MANSFIELD. Mr. President, I am delighted to ask unanimous consent that any Senator may submit any amendment he wishes to submit between now and tomorrow morning, when the Senate will reconvene.

Mr. BUSH. The point is: Will they be printed and be lying on the desk of each Senator when the debate on the bill opens?

Mr. MANSFIELD. That can be done.

Mr. BUSH. Mr. President, one more question with respect to the submission of amendments. Do I correctly understand that they may be submitted any time today, as late as 7 or 8 o'clock?

Mr. MANSFIELD. Until midnight, if necessary; and tomorrow morning before the Senate convenes.

Mr. BUSH. Simply so that they may be submitted today and can be printed and be available to Senators, when the Senate convenes tomorrow.

The PRESIDING OFFICER. Is there objection to the unanimous consent request of the Senator from Montana that any Senator may submit amendments to be printed and lie on the table?

Mr. BUSH. During the remainder of the day?

The PRESIDING OFFICER. During the remainder of the day, after the adjournment of the Senate. The Chair hears no objection, and it is so ordered.

Mr. BUSH. With that accommodation, I have no objection.

Mr. MANSFIELD. Mr. President, I renew my motion that the Senate adjourn until 10 o'clock tomorrow morning.

Mr. HOLLAND. Mr. President, will the Senator from Montana withhold his motion?

Mr. MANSFIELD. Yes.

Mr. HOLLAND. I wonder if the Senator from Montana realizes how many committees and conference committees are in session at this time.

Mr. MANSFIELD. I do.

Mr. HOLLAND. This morning the Senator from Florida was trying to get into shape the conference report on a rather important agricultural bill—not the farm bill—and it is now in shape. I hope the House will act on it this afternoon.

Progress is being made on the farm bill; and I hope there will be an agreement on it.

All day the Committee on Appropriations has been holding hearings on the foreign aid bill. I have been dashing into and out of the Senate Chamber amid these various responsibilities. I am sure other Senators find themselves in the same situation, because one distinguished Senator passed me and said he was dashing to a conference.

Mr. MANSFIELD. If all Senators were as diligent as is the Senator from Florida, the Senate could function; but so far as hearings are concerned, they could continue whether the Senate is in session or not.

Mr. HOLLAND. I thank the Senator from Montana for his compliment; but let me say, in a friendly measure, that some of us have more things to attend to than we have time to do them. I have not been able to be in the Chamber to hear the debate, much to my regret. I have no amendments to propose.

Mr. MANSFIELD. The Senator from Florida has not missed much, because there has been very little debate.

Mr. HOLLAND. It is utterly impossible, with all these matters coming to a head at one time, for all Senators to be in the Chamber.

I thank the Senator for yielding.

Mr. MANSFIELD. Again, the Senator from Florida has been very diligent. Every time the bell has rung, he has been here, "Johnnie on the spot"; but many Senators have been missing.

Mr. President, I yield to the Senator from Iowa for insertions in the RECORD.

THE 175TH ANNIVERSARY OF SIGNING OF CONSTITUTION

Mr. MILLER. Mr. President, I ask unanimous consent to have printed at this point in the RECORD an excellent article entitled "An Experiment That Worked: The Constitution Convention," written by the very able writer Ros Jensen, and published in yesterday's magazine section of the Omaha World Herald.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AN EXPERIMENT THAT WORKED: THE CONSTITUTION CONVENTION

(By Ros Jensen)

(Monday, September 17, marks the 175th anniversary of the signing of the Constitution. In observance, the magazine of the midlands prints the words of this document, and a history of the Constitution Convention.)

Rebels were marching again across village greens and rockbounded fields where the minutemen battled the redcoats only a few years before. But this time they defied a government based, not in London, but in Boston.

As the maples shed their red and gold dress, debt-burdened farmers from western Massachusetts prepared to settle their grievances with pitchforks, staves and a few muskets.

Led by Capt. Daniel Shays, a dirt farmer who had been an obscure officer in the Continental Army, they tried to close the courts where their creditors were demanding either land or dues.

For a few days in that autumn of 1786, it was feared that even the State government would be besieged by the unruly rebels.

But the farmers were confused, ill-equipped and poorly led. They were repulsed, scattered to the barren hills or to the western wilderness. Those who were tracked down and captured eventually were granted amnesty even though the government had threatened to inflict the death penalty. Because of the fervid feelings that erupted with the insurrection, State officials thought it unwise to deal harshly with the farmers.

Shay's rebellion, as it came to be known, had repercussions throughout the infant Nation. Unwittingly, the Massachusetts farmers made an object lesson of an uprising. Their challenge to civil authority was the latest and most telling in a series of episodes that caused reasonable men to ponder the fate of the American experiment with democratic government.

LITTER OF NATIONS

There was, indeed, the fear that the Spirit of '76 might become a diabolical ghost that would ravage the dreams of the patriots who had stood by Concord's rude bridge, endured the cruel winter at Valley Forge or watched the men of Cornwallis stack their arms at Yorktown.

The Thirteen States had joined in a government under the Articles of Confederation in 1781. But this document had united neither the States nor the people. It had, as one historian put it, "brought forth a litter of small nations." The Central Gov-

ernment was weak, made so by the Articles themselves.

The Declaration of Independence, to be sure, remained an article of faith for freedom-loving men, but it was not an instrument that could shape a new government. It gave expression to the cherished dreams of the patriots, but it also—and this is often lost sight of—listed grievances against His Royal Majesty George III, accusing him of "repeated injuries and usurpations, all having in direct object the establishment of an absolute tyranny over these States."

Thus the Colonists were at once bound together by their aspirations for a free government and by the recurring memories of all sorts of things they didn't want the English to do.

In the postwar period the leaders of the new Nation soon discovered that finding a governmental system that could maintain law and order while still making real the hopes of the patriots was not as simple as they had expected in the first blush of victory.

As reports of Shay's rebellion spread through the States, the leading minds of the Nation sought remedies that might restore the need of oneness that had united the Colonies in the conflict with Mother England.

TO SEIZE CONTROL

Openly, there were demands for a revision of the Articles of Confederation so the Central Government could be strengthened to cope with the menace of anarchy and bankruptcy at home and the potential threats of the great powers across the sea.

Secretly, many influential figures plotted a complete change of government. Some looked about for a suitable prince who might be willing to ascend an American throne. Others tried to persuade Gen. George Washington to seize control through a military dictatorship—overtures the hero of the Revolution rejected with violent and bitter rebukes.

Finally, all the States except Rhode Island agreed to send delegates to a Convention in Philadelphia in the spring of 1787. The Convention was to consider ways of altering the Articles of Confederation.

Men of heroic stature were needed in these troubled times, and the States did not fail, for they sent some of their best—lawyers, merchants, financiers, educators, planters, most of whom had been leaders in the movement for independence.

George Washington left his stately home at Mount Vernon, arriving in Philadelphia May 13. Still high in public esteem, he was welcomed with a celebration even though it was the Sabbath. A troop of horsemen rode out the pike to escort him to the city, where the church bells were rung and cannon were fired in salute.

Twelve days later, when the Convention was organized, Washington was unanimously elected the presiding officer. In the months that followed, his patience and moderation were to buoy the spirits of delegates who feared the deliberations would be fruitless.

ROLE OF PEACEMAKER

Among those who greeted Washington was a famous inhabitant of Philadelphia, Dr. Benjamin Franklin—statesman, inventor, publisher, philosopher—now a very old but very wise man.

As a member of the Pennsylvania delegation, he was to assume the role of benevolent peacemaker when delegate tempers and summer temperatures rose simultaneously.

On one occasion, when a deadlock threatened to disrupt the proceedings, Franklin brought with him a two-headed snake preserved in liquid in a large bottle. Showing it to his colleagues, he asked them to consider what might happen if the snake were alive and one head chose to go to one side of a tree and the second head picked the other side, neither giving way to the other.

From Virginia came also James Madison, who had in his 36 years acquired a great deal of experience as well as knowledge in political affairs. He was to become the philosopher of the Constitution. Standing between the extreme viewpoints expressed by the delegates, he was to draw together the best ideas of the differing factions.

From New York came Alexander Hamilton, just turned 30, who had fostered the idea of holding the Convention. As Washington's aide during the war, he had witnessed the birth of a nation. He was now determined to see it mature.

Hamilton was among those who nursed the ambition to create an all-powerful Central Government that would put an end to the incessant disputes among the States.

And there was George Mason, author of the Virginia Bill of Rights; South Carolina's Gen. Charles Cotesworth Pinckney and his young cousin, Charles Pinckney, distinguished spokesmen for the southern planters; James Wilson, a hard-headed Pennsylvanian of Scottish birth who had become one of the best-read jurists in America; Roger Sherman, the Connecticut shoemaker-turned-judge; Robert Morris, the English-born financier of the Revolution; Gouverneur Morris, a keen observer of human frailties; Luther Martin, an eminent lawyer who was the champion of the agrarian classes.

AMONG THE MISSING

Missing were Thomas Jefferson, the intellectual Virginia aristocrat who espoused liberal causes; John Adams, the New Englander who favored conservative forms of government; John Jay, the brilliant legalist and political theorist, and Patrick Henry, the firebrand of the Revolution.

Jefferson was the infant Nation's Minister to France; Adams held a similar post at the Court of St. James; Jay was Secretary of Foreign Affairs for the existing Government, and Henry, although elected a delegate, refused to attend because he "smelt a rat."

The task of the delegates was, as they wrote later in the preamble of the Constitution, "to form a more perfect union * * * and secure the blessings of liberty to ourselves and our posterity."

This meant strengthening the Government and providing the cohesive force for a people lacking a national consciousness.

The Delegates, whose number eventually reached 55, soon concluded that a mere revision of the Articles of Confederation would not provide a satisfactory government for the future. The Convention was only 4 days old when the first proposal for a new government was submitted.

The impotence of the National Government of the Confederation was ever in the minds of the delegates. The Continental Congress was so weak that it could not settle the squabbles among the 13 State governments.

The Congress could provide for an army, but it was forced to rely upon the States to supply men and money voluntarily. The States could decide whether they wanted to abide by treaties negotiated by the national assembly. Congress had no taxing powers; it could not put down insurrection, such as Shays' rebellion, nor even enforce its laws when they met with public resistance; it was unable to prevent the States from interfering with matters of common welfare, such as tariffs and monetary stability; it could not regulate commerce or even establish a uniform currency system.

THEIR OWN MONEY

The States, jealous of their own special interests, put tariff duties on imports from foreign countries and, in some cases, on goods coming from neighboring States.

New York, for example, taxed firewood from Connecticut and vegetables from New Jersey.

The States issued their own money in coin or paper or both (seven States, under pressure from rural communities, issued large quantities of paper money in an attempt to force up the prices of farm products to help farmers pay off debts).

Seeing the new Nation in such a chaotic condition, the ruling classes of the Old World cast covetous glances toward America, waiting hopefully for the expected doom.

With its Revolutionary Army and Navy disbanded, America was no threat to the great powers of Europe. And it even had to suffer abuse from the Barbary pirates of North Africa. It was too poor to pay the blackmail demanded by these cutthroats and too weak to resist raids on American ships in the Mediterranean.

The Philadelphia Convention also addressed itself to the problem of unifying the people through a strong government. The inhabitants of this land did not think of themselves then as Americans. They were called by State or regional names—New Englanders, Jerseymen, Virginians, Carolinians.

Yet, despite differences in origin, traditions, religion, and economic interests, these people made up a growing land that numbered about 4 million, including 700,000 Negro slaves. The boats docking in American ports were bringing the distressed, the unlucky and the adventure seekers from Europe.

Since there was little industry, most of the newcomers as well as the old settlers lived off the land (only 6 cities had populations exceeding 8,000).

And most of them were forced to live in relative isolation because transportation and communication were handicapped by poor roads.

IDLENESS A SIN

The country, essentially, was made up of four geographic areas, each with its own interests and ambitions, political as well as economic and social.

In the North was New England whose rigorous climate and grudging soil produced the Yankees. Reared in the strict Puritan tradition, these rugged individualists built a society that regarded idleness a sin as woeful as Sabbath-breaking.

They practiced democracy in their town meetings, worshipped a stern God in their plain churches, took pleasure in barn-raisings and corn huskings and earned their livelihood from the soil, the sea, and a few handcraft industries that thrived in Massachusetts and Rhode Island.

If the Yankees had been a boastful sort, they would have pointed with pride to their fine educational institutions, including Harvard and Yale. They would surely have been less enthusiastic about a prospering summer resort at Newport, a playground for wealthy plantation owners from South Carolina.

The Middle Atlantic States made the first melting pot of the land. From the Old World came the English, of course, and Dutch, Swedes, French, Scots, Irish, Germans, Finns, Swiss, and Jews. With them they brought a variety of virtues and vices.

New York, in sharp contrast to the severity of New England, was renowned for its gaiety. Many of its inhabitants were disposed to radical religious and political ideas that prompted stern rebukes from orthodox pulpits. While other cities were busy founding literary societies, New York produced the Columbia Order, better known in latter days as Tammany Hall.

But Philadelphia was then the Nation's first city, with a population of about 42,000 and flourishing commerce and culture.

The South was typified by a proud aristocracy that built imposing mansions and kept troops of slaves to work the fields. The planters, less concerned about eternal

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE

(For information only; should not be quoted or cited)

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HIGHLIGHTS: House began consideration of conference report on agricultural appropriation bill. Senate continued debate on foreign trade bill. Senate passed bill for housing for elderly in rural areas. Sen. Hartke inserted Secretary Hodges' speech supporting foreign trade bill. House agreed to conference report on independent offices appropriation bill, and insisted on disagreement to certain amendments. House committee reported foreign aid appropriation bill. House passed bill to increase FHA loan authorization. House began debate on bill to provide for cooperation with States in administration of agricultural laws.

SENATE

1. FOREIGN TRADE. Continued debate on H. R. 11970, the proposed Trade Expansion Act of 1962. pp. 18652-65, 18667-9, 18671-737

Agreed to the following amendments:

By Sen. Smathers, which he stated was a "technical corrective amendment" to strike out language regarding reimbursement to States for payments of adjustment assistance to unemployed workers. p. 18685

By Sen. Pell, to provide that Tariff Commission studies of the effects of foreign competition on domestic industry shall include studies of real wages paid in foreign countries. pp. 18686-7

By Sen. Bartlett, to authorize the President to increase the rate of duty on imported fish when he determines that other countries have failed or refus to enter into negotiations for the conservation of fishery resources. pp. 18728-9

Rejected the following amendments:

By Sen. Bush, by a vote of 38 to 40, to restrict the President's tariff-cutting powers by restoring to the bill the peril point provisions of existin law (pp. 18652-72). Agreed to, by a vote of 40 to 39, a motion by Sen. Mansfield to table a motion by Sen. Dirksen to reconsider the vote by which the amendment was rejected (pp. 18672-3).

By Sen. Curtis, by a vote of 13 to 65, to establish a special Congressiona committee to review and pass on trade agreements entered into by the Presiden pp. 18673-6

By Sen. Curtis, by a vote of 23 to 58, to strike out provisions of the bil to provide for assistance to workers and to firms who suffer from the effects of imports. pp. 18687-92

By Sen. Byrd, Va., by a vote of 31 to 51, to provide that unemployment compensation to be paid under the terms of the bill would be paid at the rate which prevail in the State where the payments are made. pp. 18692-8

By Sen. Bush, by a vote of 25 to 55, to strike out the section of the bill authorizing the President to reduce or remove entirely all duties which were 5 percent or less on July 1, 1962. pp. 18698-703

By Sen. Dirksen, on behalf of Sen. Javits, to provide for the appointment an advisory council of 50 members from industry, labor, and agriculture to advise the Special Representative for Trade Negotiations who would be appointed as chief representative of the U. S. on trade negotiations. p. 18704

By Sen. Bush, by a vote of 34 to 45, to provide that the Tariff Commission in making industry determinations shall take into consideration certain economic factors in addition to those listed in the bill. pp. 18704-12

By Sen. Curtis, by a vote of 20 to 63, to provide that each trade agreement shall include provisions designed to maintain or expand the 1957 volume of U.S. agricultural exports and to limit the importation of competitive agricultural products at a volume not in excess of that in 1957. pp. 18712-22

By Sen. Curtis, to reserve from negotiations import duties on products manufactured in substantial part from materials of which the U. S. price is 10-percent or more higher than the world market price. pp. 18723-4

By Sen. Bush, which he stated would provide that the "most-favored-nation policy ... apply to other entities with which we enter into trade agreement." pp. 18724-5

By Sen. Dirksen, by a vote of 28 to 56, to provide that the proposed new trade agreements program shall be for three years, instead of five years. pp. 18725-7

By Sen. Scott, to reserve from trade negotiations such items produced by industries "which are disadvantaged in international competition by governmental policies which directly raise their costs of production." pp. 18729-30

By Sen. Prouty, by a vote of 21 to 54, to provide that the President's reports to Congress on trade agreements entered into shall include a synopsis of the recommendations made to him by the Tariff Commission. pp. 18730-2

Sen. Hartke inserted Commerce Secretary Hodges' recent speech at the Business Opportunity Conference for Indiana Businessmen in support of the proposed Trade Expansion Act of 1962. pp. 18739-40

2. HOUSING. Passed without amendment H. R. 12628, to authorize a program of housing for the elderly in rural areas (pp. 18665-6). This bill will now be sent to the President. The bill includes authorization of $50 million additional in loan funds for Farmers Home Administation loans to the elderly for building or purchasing homes in rural areas, authorization for the appropriation of

corporation is entitled to safeguards. For the corporation, this means the authority to determine, without hindrance or limitations, the risk with respect to each insured bank by periodic examination, including the investigation of proposals as to banking management and facilities.

Owing to the need for inspection by the deposit insuring agency as well as the bank chartering authority, alternating examinations by each agency would seem to be the best way to satisfy their respective needs. Moreover, the experience of the Corporation shows that a maximum one one examination each year is sufficient for its purposes, except in unusual or emergency circumstances. The advantages of alternating bank examinations have been demonstrated by the Corporation's experience in cooperating with State examining authorities. Such a procedure brings fresh eyes and new minds to the task of inspecting and examining the activities of each bank. In virtually all cases, alternating examinations have proved to be better than joint or concurent ones.

SUGGESTED CHANGES IN SUPERVISORY STRUCTURE

Taking into account the considerations and developments mentioned so far, certain improvements in the existing structure of Federal bank supervision may be suggested. Experience with deposit insurance has emphasized the importance of maintaining a separation between the chartering and the insuring agencies. Likewise, the diffusion of supervisory authority has emphasized the need for coordinate but separate inspection of banks. Alternate examinations would entail minimum changes in long-established arrangements and at the same time correct serious defects. So viewed, they are consistent with the history of bank supervision; they recognize both the lessons of experience and the obstacles to change in a real world.

Adoption of alternate examinations would not greatly disturb the alinement of responsibilities of the three Federal bank supervisory agencies. The Federal Deposit Insurance Corporation would examine each insured bank at least once each year, and would investigate, concurrently with the chartering authority, all proposals as regards banking facilities and personnel. Some reduction in workload appears realizable if the Corporation were to alternate its examination with the State examining authorities in the case of State banks, and the Comptroller with respect to national banks. The examining authorities could exchange copies of each examination report. Furthermore, reports would be available to the Federal Reserve for informational purposes both on individual banks and in the form of aggregate data.

With respect to national banks, the Office of the Comptroller of the Currency in the U.S. Treasury Department would continue its powers and responsibilities as the bank supervisory and chartering authority. The Comptroller is now required by law to make two examinations in each calendar year. One of these examinations, however, may be waived in a 2-year period. This requirement could be modified by authorizing one regular national bank visitorial examination annually. Such an examination together with a regular examination each year by the Federal Deposit Insurance Corporation would give the desired examination coverage. Thus, representatives of both the chartering and the insuring agency would have a recurring opportunity to inspect and report on each bank's condition and performance under the applicable laws.

Given the orientation of the Federal Reserve, which is chiefly concerned with problems of broad national interest regarding money and credit and related matters, that agency does not need to engage in such operations as bank examination work. At various times officials of the Federal Reserve System have indicated their desire to be relieved of all duties extraneous to their fundamental responsibility of performing the functions of a central bank. In at least one instance an outstanding official of the System has stated that transfer of the examination and supervisory functions of the System to another agency "would relieve the Federal Reserve System of a great deal of work, which, while important, is not essentially interrelated with its primary function of regulating the supply of money and credit." However, each of the 12 Federal Reserve banks requires a limited number of qualified examination personnel to review reports and—if needed in specific or emergency circumstances—to exercise visitorial powers.

Since the cost of examination work is an operating expense chargeable against income from assessments for deposit insurance—not a proper expenditure of funds appropriated by the Congress for purposes of government—the Federal Deposit Insurance Corporation would defray the expense of one examination each year for both National and State banks. A saving of at least one-third and possibly more of the workload would result if the Office of the Comptroller of the Currency examined each national bank annually and received the Corporation's report in place of a second examination. This saving would make possible a reduction in statutory examination fees levied on national banks. Furthermore, in many States such an arrangement would tend to place National and State chartered banks on the same basis with respect to charges for examinations, and when entirely coordinated, would bring about savings in examination costs for State banks, realizable perhaps during the first full year of operation under the plan. As heretofore, each bank would carry the cost of the examination as provided by the law applicable to the chartering authority—either the State supervisor or the Comptroller of the Currency.

If it were to undertake the task of examining insured banks chartered by the Comptroller of the Currency, the Federal Deposit Insurance Corporation could draw upon its background of successful experience in working with State chartering authorities in bank examining activities. Certainly there should be no more basis for conflict resulting from the examination of national banks by an insuring agency than has been experienced with the States that are likewise chartering authorities. Already the FDIC examines regularly all insured nonmember State banks (a majority of all banks), and without cost to the respective States or banks.

Proposals to centralize Federal bank supervisory authority in one agency are designed to achieve operating economies and standardization of examination procedures. Reasonable men may disagree concerning the effects which centralization of bank supervisory authority might have on the dual banking system. It seems to me likely that many of the presumed advantages, including operating economies, could not be realized. Such proposals also ignore the fact that the chartering authorities and the Federal Deposit Insurance Corporation as an insurer of bank deposits should have separate bank examination powers. Safeguards against the improper use of supervisory authority or the adoption of unwise policies could be weakened by too much centralization. Changes in our banking structure are now overdue; but let us not be too drastic in our pursuit of the dramatic, nor reckless of our priceless heritage.

COCKE CHALLENGES PLAN TO UNIFY BANK CONTROLS

BRETTON WOODS, N.H., September 17.—Chairman Erle Cocke, Sr., of the Federal Deposit Insurance Corporation, described as long overdue today the reorganizing and integration of bank supervision by Government agencies.

"But let us not be too drastic in our pursuit of the dramatic, nor reckless of our priceless heritage," Cocke said. He particularly questioned the wisdom of suggestions for centralizing bank supervisory authority in one agency to achieve economy and standardize examination procedures.

Saying such aims might not be reached by such a step, Cocke said "such proposals also ignore the fact that the chartering authorities and the Federal Deposit Insurance Corporation as an insurer of banks should have separate bank examining powers."

In a speech prepared for the National Association of Supervisors of State Banks, Cocke gave his own suggestions for streamlining the system under which the FDIC, the Comptroller of the Currency and the Federal Reserve keep watch over the banks.

A special advisory committee named by Comptroller James J. Saxon is expected to present a report soon dealing with bank supervision by the Government. Presumably, it would touch upon at least some of Cocke's suggestions.

His proposals for each agency to keep its inspecting authority but to work more hand in hand included:

1. Examination once a year by FDIC of all banks, both National and State, whose deposits are insured by the FDIC, and investigate with the chartering authority all proposals regarding banking facilities—such as new banks—and personnel.

2. Reduce the workload by having the FDIC alternate its examinations with the State examining authorities in the case of State banks and with the Comptroller with respect to national banks. The Comptroller could reduce from two to one its annual inspection of banks.

3. Relieve the Federal Reserve of responsibilities for the regular examination of State-chartered member banks and the investigation of proposals with regard to other banking facilities of such banks. This, Cocke said, would free the Federal Reserve System to concentrate on its primary function, monetary policy.

RECALLING THE NAZI-SOVIET INVASION OF POLAND ON SEPTEMBER 1, 1939

Mr. DODD. Mr. President, this last Sunday, September 16, the Polish American Congress, which is the largest organization of Americans of Polish descent, organized a mass meeting in Chicago for the purpose of commemorating the joint Nazi-Soviet invasion of Poland. Unfortunately, commitments in Connecticut made it impossible for me to join my friends of the Polish American Congress in Chicago on that day. But I do not want to let this occasion pass without commenting on it; and, had I been in Chicago, I would have expressed my thoughts on the subject in substantially the following terms.

The Nazi-Soviet invasion of Poland is one of the blackest pages in human history.

It is proper that we should observe the anniversary of this monstrous political crime, because it has a significance that extends far beyond the Polish people. Indeed, if the free world could learn and truly comprehend the lesson of the Nazi-Soviet invasion of Poland; if it could learn and comprehend the lesson of the unbroken record of perfidy and treachery and inhumanity that the Kremlin has perpetrated in Poland since the opening days of World War II; if it would take

the time to restudy the facts and draw the necessary conclusions from these tragic facts, the free world would emancipate itself from all the illusions and all the wishful thinking about coexistence that have paralyzed our foreign policy in situation after situation.

The free world must not forget and cannot forget the fact that it was the Nazi-Soviet pact which made it possible for Hitler to unleash his war against the West; that this treaty contained secret annexes providing for the division of Europe between Nazi Germany and Soviet Russia; that at the signing of this treaty, Stalin toasted Hitler with the words:

I know how much the German nation loves its fuhrer.

That Molotov gloated over the dismemberment of Poland with the shameful words:

One blow from the German Army, and one blow from the mighty Red army, and this ugly duckling of Versailles ceased to exist.

We cannot and must not forget the Katyn massacre, in which 10,000 officers of the Polish Armed Forces were slaughtered in cold blood by the professional killers of the Soviet secret police.

We cannot and must not forget the unspeakable treachery of the Red army at the time of the Warsaw uprising, when it halted its advance at the very gates of Warsaw, condemned the uprising as the work of provocateurs, refused to send any aid to the heroes of the Polish Home Army, and refused landing facilities to Allied aircraft which, despite all the hazards, endeavored to drop some supplies to the embattled Polish patriots in Warsaw. As Winston Churchill said at the time, there was only one explanation for this unprecedented act of treachery against a military ally: The Soviet Government wanted the anti-Communist Poles killed to the utmost.

We cannot and must not forget the hypocrisy and perfidy of the Soviet Goverment in establishing the quisling Lublin committee and recognizing it as a de facto government of Poland.

We cannot forget their flagrant violation of their own assurance of safe conduct and of the time honored immunity of conferees, when they imprisoned the representatives of the Polish nationalist underground who had come to Moscow in an effort to negotiate an agreement.

We cannot forget the violation of their repeated assurances that the Polish people and the other central European peoples liberated from Nazi rule, would be permitted to determine their own futures in free elections.

We cannot forget the terrible suffering of the Polish people under Soviet imperialist rule; nor can we forget the blood of the tens of thousands of Polish patriots who paid with their lives because of their love of freedom.

The free world must remember all of these things and it must draw the necessary conclusions from them as to Soviet intentions and as to the worth of agreements with the Soviet leaders.

We must remember these things. We must remember how our own guilessness and lack of judgment contributed to the tragedy of the Polish people and of the other captive nations of Europe. And we must dedicate ourselves to work unremittingly, by every means short of war, for the restoration of freedom to the captive nations.

We must raise the issue constantly in our press and in our propaganda, at diplomatic conferences and at every session of the United Nations.

We must arraign and indict the Soviet regime and spread their crimes upon the record for the whole world to see.

And if the Soviet leaders say "Nyet," as they have so many times before, we must reply by once again arraigning them before the bar of world opinion, once again spreading out the incontrovertible facts of our indictment, once again demanding that the Soviets live up to their promises of free elections and that the peoples of Poland and Central Europe be accorded the elementary right of self-determination, which is today being granted to the most primitive peoples of Africa and Asia.

If we do these things, the Polish people will know that we have kept faith with them. They will be encouraged to persist in their hopes and continue in their resistance. And ultimately the day will come when the tyranny that today oppresses them will crumble before the constant exposure and condemnation of world opinion and before the unrelenting opposition and hatred of the Polish people.

I am confident that the Polish people, who have contributed so many glorious pages to the history of Western civilization, will not, for very much longer, remain the slaves of Soviet imperialism. They will, I am certain, again take their place in the foreranks of Western civilization—a place which is justly theirs by virtue of their history, their cultural achievements, their exemplary courage, and their present terrible suffering.

In observing the anniversary of the Nazi-Soviet invasion of Poland, let us dedicate ourselves to this end.

Mr. MANSFIELD. Mr. President, is there further morning business?

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

AMENDMENT OF DISTRICT OF COLUMBIA UNEMPLOYMENT COMPENSATION ACT, AS AMENDED

Mr. MANSFIELD. Mr. President, yesterday the Senate passed, with certain committee amendments, Senate bill 3596, to amend the District of Columbia Unemployment Compensation Act, as amended.

Subsequently, the Senate received from the House of Representatives House bill 12762, which is identical with the Senate bill as amended.

In order to expedite the enactment of this legislation, I ask unanimous consent that House bill 12762 be considered, ordered to a third reading, read the third time, and passed, without amendment; that the vote on the engrossment and passage of Senate bill 3596 be reconsidered, and that the Senate bill be indefinitely postponed.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I understand that the Senator from Rhode Island [Mr. PASTORE] desires to bring up a conference report.

Mr. PASTORE. We are waiting for confirmation from the minority Members. When that is cleared, we shall be ready to submit the report.

Mr. MANSFIELD. Very well.

TRADE EXPANSION ACT OF 1962

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of the pending business, Calendar No. 2025, House bill 11970.

The motion was agreed to; and the Senate resumed the consideration of the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes.

Mr. MANSFIELD. Mr. President, House bill 11970 is now the pending business, is it not?

The ACTING PRESIDENT pro tempore. That is correct; it is the pending business.

Mr. MANSFIELD. Mr. President, does the Senator from Connecticut [Mr. BUSH] wish to call up his amendments at this time?

Mr. BUSH. I shall be glad to do so, if that meets with the wishes of the majority leader. Will he then suggest the absence of a quorum, so that we may have a little time to organize our presentation of the amendments?

Mr. MANSFIELD. Yes.

Mr. BUSH. Mr. President, I call up my amendments which are identified as "9–17–62–A," and send them to the desk. The amendments are offered by me on behalf of myself, the Senator from Colorado [Mr. ALLOTT], the Senator from Utah [Mr. BENNETT], the Senator from Indiana [Mr. CAPEHART], the Senator from Nebraska [Mr. CURTIS], the Senator from Wyoming [Mr. HICKEY], the Senator from South Carolina [Mr. THURMOND], and the Senator from Texas [Mr. TOWER].

I ask that the amendments be read.

The ACTING PRESIDENT pro tempore. The amendments will be read.

The amendments were read by the legislative clerk, as follows:

On page 11, between lines 5 and 6, insert the following:

"(5) find and report with respect to each such article—

"(A) the limit to which modification of duty or other import restriction may be made in order to carry out the purposes of section 102 without causing or threatening serious injury to the domestic industry producing like or directly competitive articles; and

"(B) if increases in duties or additional import restrictions are required to avoid serious injury to the domestic industry producing like or directly competitive articles, the minimum increases in duties or additional import restrictions required."

On page 14, strike out lines 13 through 16 and substitute in lieu thereof the following: "this title, together with a statement accurately identifying any article with respect to which the limits or minimum requirements found and reported by the Tariff Commission under section 221(c)(5) are not complied with, and stating his reasons for the action taken with respect to each such article."

Mr. BUSH. Mr. President, briefly I merely wish to state at this time that the purpose of the amendments is to restore the peril-point procedures under existing law; these amendments are confined to that one point. The peril-point procedures have to do with the preparation of negotiations in connection with trade agreements; and the purpose of the amendments, therefore, is simply to restore to the bill the provisions of existing law with respect to the peril-point procedures.

Mr. CURTIS. Mr. President, will the Senator from Connecticut yield?

Mr. BUSH. I yield to the Senator from Nebraska.

Mr. CURTIS. Let me say to the distinguished Senator from Connecticut that I support the amendments wholeheartedly. I should be very happy to join with him in offering them, if I may do so.

Mr. BUSH. I have already offered the amendments in the Senator's name, as well as my own, and also in the name of other Senators who wished to identify themselves with the amendments.

Mr. CURTIS. I appreciate that, because I have presented at the desk and have had printed an amendment to do exactly the same thing—to restore to the bill before us the peril point procedures in existing law. I shall have something to say on this subject later. The pending bill represents the greatest delegation of power that has ever been given to any President. Heretofore our trade agreements have prevented a negotiation of 50 percent of the tariffs. This bill authorizes the President to wipe out the tariffs. It also authorizes him to impose tariffs even on goods that are not dutiable at the present time.

It is extremely important that the Senate write certain safeguards into the pending bill. An examination of the hearings will show that everyone, with one exception, besides the Government, favored retention of the peril point procedures.

I hope the distinguished Senator from Connecticut will be successful in his amendments, and I thank him for yielding.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The Clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MOSS. Mr. President, the bill before us has been about 18 months in the making. Early in 1961 the Kennedy administration began a deep analysis of current trade and tariff policies in anticipation of the expiration of the reciprocal trade agreements program on June 30, 1962, keeping a particularly wary eye on the forces set in motion by the emergence of a new trading bloc in Western Europe, known as the Common Market.

Concurrently, we in the legislative branch began also to prepare ourselves for what we knew would be one of the greatest tasks of the 87th Congress when the Joint Economic Committee was authorized to undertake a series of studies in foreign economic policy. Included were a hard look at our own balance-of-payments problem, the challenge of expanding markets in less-developed countries, and the impact of the cold war and the Common Market on world trading patterns—the latter a special assignment accepted by Christian Herter, President Eisenhower's Secretary of State in his second administration, and Will Clayton, President Truman's Under Secretary of State.

By October of 1961, when our present Under Secretary of State, George Ball, addressed the National Foreign Trade Convention, the dimensions of the change which was taking place in Western Europe were clearly discernible. We were told that the six European nations composing the Common Market had exceeded all expectations in lowering internal tariffs among themselves, while at the same time raising their external tariffs to an average of the tariffs of all of the six countries. Trade was flowing among them with increasing velocity. They were achieving a phenomenal rate of growth. It was evident that if the United States wished to continue to trade with these countries, we would have to drastically reevaluate our own trade and tariff policies. We must prepare ourselves to deal with the EEC as a unit; to make and meet offers of mutual accommodation.

Then in January of this year, all the study and discussion was culminated in a request from President Kennedy for a bold new instrument to meet the new set of economic problems facing us—the Trade Expansion Act of 1962.

This new proposal has now been discussed in detail by our Senate and House committees concerned with foreign trade and tariffs and by the House itself, and all have given it broad majorities. I, too, have given it careful scrutiny, keeping in mind the injury which is bound to accrue to some of our domestic industries, and I have come to the conclusion that I cannot, in all conscience, do other than add my own voice to the chorus of support.

I sincerely believe that a foreign policy best calculated to serve both the Nation's industry and agriculture must be one that forthrightly and consistently liberalizes this country's trade with the Common Market countries and the rest of the free world. The imperatives of 1962 call for a trade policy that is vigorously expansive; one that recognizes that competition, both within and beyond our national borders, is the life of trade and a major stimulant to our own economy, as well as that of our foreign trading partners.

It was Christian Herter and Will Clayton, in their report for the Joint Economic Committee, who actually supplied the phrase to suit the action we must take—who actually sounded the clarion call—when they said the time had come for the United States to take a "giant step." They said that the time had come for America to form a trade partnership with the European Common Market and to assume the leadership in expanding a free world economic community.

Strictly speaking, this would really be a second giant step for America in the world of trade. Our first giant step was taken in this field a generation ago under Franklin D. Roosevelt and Cordell Hull when we reversed our traditional policy of high protective tariffs and established the reciprocal trade program itself.

Since it would have been absurdly cumbersome and time consuming for the Congress, or even for one of its committees, to negotiate tariffs with other countries, the President was given limited powers under this program to bargain for reciprocal tariff reductions on special items.

That the trade agreements program has been a success is undisputed. Under it, American export trade has prospered and grown. From an average of less than $2 billion a year in 1931–35, our exports have increased to a total of nearly $20 billion a year in 1961.

But the initiative which the United States took so boldly in the thirties, and which gave this Nation undisputed leadership in world trade, is now at a standstill. The trade agreements program has run its course, and authority for further tariff adjustment exhausted.

The time has come when we must move to meet our new challenge by giving the President the power to cut tariffs, not just on one item, which he had under the Trade Agreements Act, but on broad categories all across the board. This will not be breaking entirely new ground—it will only be sharpening the tools the President already has used and giving him a few new ones.

The bill contains clear standards for the utilization of the new authority by the President through the executive departments of the Government. Provision for a congressional veto of trade agreements would inject uncertainty into tariff negotiations and tie the hands of our negotiators—keeping them from winning firm concessions from other countries.

Much as I would prefer to see tariff-making powers remain with the Congress, past experience indicates that congressional tariffmaking is neither practical nor desirable. After action was completed on the Tariff Act of 1930, the late distinguished Republican Senator from Michigan, Senator Vandenberg, is reported to have said:

Tariff ratemaking in Congress is an atrocity. It lacks any element of economic science or validity. I suspect the 10 members of the Senate, including myself, who struggled through the 11 months it took us to write the last congressional Tariff Act, would join me in resigning before they would be willing to tackle another general tariff revision.

I am convinced, therefore, that the measure before us, which gives the President the powers of agreement and tariff cutting, and which would enable him to reduce or even eliminate trade restrictions when Common Market countries do the same, and thus to enlarge our trading area, is the most realistic approach to our foreign economic problems at this juncture in history. Without it, the United States may well be left behind.

During the last few years our foreign economic policy has been predicated on a continuously expanding export policy. Coupled with this have been continuously rising imports which help meet the increasing needs of our burgeoning population. The record shows the United States capable of a long-term policy of trade expansion. Since 1947 we have indulged in cutting tariffs with little injury to domestic industry.

Trade expansion is an absolute necessity to our own economic well-being, and a boon to our allies in freedom. It will give us the foundation for a solid Western economic bloc with which to thwart the efforts of the Soviet Union to divide and rend in twain the free industrial nations. It is essential to American economic growth and to the protection of millions of American jobs. It is a must if we are to achieve equilibrium in our balance of payments. From our dominant position of influence on world currencies we must help bring the rest of the world closer to a general currency convertibility. As a leader of the world's industrialized countries, it is our prerogative to ask that other countries, which are now on the high road of industrialization, share with us equitably in the amount of aid we render weaker nations as well as contribute their share of the military forces necessary for the security of the free world community.

I think most of us can recall the turmoil in trade affairs which existed in the years imediately after World War II. Our slogan then was "Aid and Trade." In practice, this slogan meant that we had to give aid to some of the major industrialized countries whose economies had been disrupted by the war before they could participate in the trading activities of the free world. This has been accomplished.

Now the aid section of our foreign economic policy is veering rapidly toward assisting those underdeveloped countries who need long-term development aid. As part of this changing pattern we need also a new trade policy toward those countries who have now gotten back on their economic feet. Similarly, our trade with emerging and industrializing countries must assume a new form in order for these newer countries to take their rightful place on the world's economic stage. Thus far the free world industrialized nations have managed to achieve some form of successful and reasonable order in international trade. However, we now face vast new forces in world trade which must and should be met by a revitalized U.S. trade policy.

Our interest in the Common Market today is dictated by our economic ties to Western Europe as well as by the political benefits which will flow toward us from a Europe that is strong, free and friendly.

We will hear much of our economic ties with Europe, and I think the figures will bear repetition.

In 1960, 19 percent of our exports went to the Inner Six Common Market countries, and 13 percent of our exports went to the other seven nations joined in the Outer Seven European Free Trade Association. We, in turn, were the recipients of 20 percent of Common Market exports and 17 percent of the free trade area exports.

On top of this, we Americans had direct investments of $6.4 billion in these two groups in 1960, and their nationals, on the other hand, had invested $4.6 billion in industries in our country. These two factors of trade and investment constitute very strong links between their economies and ours. In the future these links can become even stronger as the domestic prosperity within the new and expanding Europe generates new income and trade.

It is axiomatic that economic growth in advanced industrialized nations generates trade. Europe is currently riding the wave of economic growth, and we are also on the verge of an upsurge in our economic life. For such growth to reach its full potential, increased trade between the two highly industrialized areas is indispensable. A more liberal trade policy on our part will offer us an unrivaled opportunity to share in the economic expansion of the new Europe, and in so doing accelerate our own growth here at home.

Before stating my reasons as to why I think the trade proposals under discussion will be beneficial to my State of Utah, I would like to examine briefly the reasons for the economic growth of Europe which in terms of annual percentage rates is about double our own. We are told that Europe's economic growth is currently at a rate of 5.9 percent and that our own is approximately 2.8 percent per year. There are half a dozen reasons why economic activity in Western Europe has proved to be so profitable and prosperous. The first we may consider is the amount of total expenditures out of the gross national product which is devoted to new machinery and new plant equipment. During the last 10 years we have been devoting a lessening amount of the gross national product to expanding our capital equipment whereas in Europe the major industrial nations are devoting a rising part of their national expenditures to this purpose. I have prepared a short table showing the declining rate of machinery and equipment buying in the United States and the rise of similar buying in Europe. Expenditures for machinery and equipment are expressed as a percentage of total gross national product for each country as well as for all Western European countries combined.

[In percent]

Country	1960	1950
West Germany	12.1	9.7
United Kingdom	9.1	7.0
France	8.4	7.4
Western Europe	9.8	8.0
United States	5.5	6.6

According to this table, of these countries only the United States shows a declining part of its national product invested in machinery and other production equipment. Although the 1961 breakdown is not available for Western Europe, the 1961 spending for machinery and equipment in the United States fell further to only 4.9 percent of GNP—the lowest rate since the 4.6 percent we had in 1939. While this low investment in the United States is partially due to the existence of substantial excess capacity in many industries, failure to modernize our industry adequately will impede our competitive potential and ultimately our rate of economic growth.

A second major factor for increasing industrial advancement in Europe rests in the depreciation deductions allowed against income taxes. Western Europe rates are more liberal than those in this country. Our Treasury Department has supplied certain facts concerning the depreciation allowances of several countries of Western Europe as compared to our own. These figures show the portion of cost of comparable equipment that could have been deducted for tax purposes after 1, 2, and 5 years:

[In percent]

Country	After 1 year	After 2 years	After 5 years
France	25	44	76
Germany	20	36	67
Italy	25	50	100
United Kingdom	39	46	64
Japan	43	51	68
United States	11	20	43

The inadequacy of depreciation allowances in the United States is without doubt one of the major restraints on capital investment. The Kennedy administration has recently moved to liberalize and accelerate depreciation schedules of U.S. production facilities, and the Senate has recently passed a measure which would provide businessmen with extra incentives to buy equipment. It is only through the use of the most modern and up-to-date machinery that the U.S. producers, who pay the world's highest wage rates, can hope to compete with many manufacturers abroad.

A third but related factor concerns the tax bite on corporate profits which is squeezing the amount of after-tax dollars which our U.S. companies have available for capital improvements on which our expanding economic growth depends. The corporate tax bite in Western Europe and Japan is generally not as large as in the United States. This is well illustrated in a table comparing maximum rates of corporate income tax in various countries, which I quote:

Maximum tax rate on corporation incomes

Country:	Percent
Belgium	28
Italy	31
Sweden	40
Denmark	44
Japan	49
Canada	50
France	50
Germany	51
United Kingdom	53
United States	52

In practice, the rate is even lower in several of these countries due to special deductions and the nondistribution of profits.

A fourth factor that inhibits our economic growth is the increasing amount of obsolescent machinery with which our industrial complex has to cope today. Recent studies showed that in 1958 the United States had the highest percentage—60 percent—of machine tools 10 years old or more of any major industrial nation. In Western Germany the percentage was 55, in Italy 56, and in France and Britain 59 percent, respectively. If 1961 figures were available, our percentage of obsolescent machinery would probably be even higher.

Western Europe has been in a position to capitalize on the latest and newest production methods. They have been willing and able to buy the newest and best machinery, particularly in the automated field. One process stands out, namely, the use of oxygen in steelmaking. By producing steel with oxygen, steelmakers can greatly speed output. At the moment we have an estimated steel capacity of around 160 million tons. Yet only 7.5 million tons of America's steel capacity is devoted to production by oxygen. In Europe there is an estimated production of 130 million tons of steel capacity and by the end of 1962 it is estimated that at least 22 million tons of steel will be produced by the oxygen method. Even Japan with its current steel capacity of 31 million tons has 6.8 million tons devoted to oxygen production.

I am particularly concerned about the current uncertain state of our economy. In many industries production is at levels far below capacity. On the average, our manufacturing industries are operating about 80 percent of capacity while the manufacturing industries of Western Europe are operating at a level of 95 percent of capacity. I do not suggest that this discrepancy will last indefinitely, particularly since the high level of European production may decline as Europe's most basic reconstruction and modernization needs are met. However, the difference is a clear warning that we need to do more to use the manufacturing capacity available to us. One of the soundest steps we can take in this direction, I submit, is to expand our export markets. And this is precisely the central aim of the current trade expansion bill.

It will give us a new instrument for reciprocal trading which will assure us a working partnership with the free world industrialized nations, a way of assisting in the growth of the less-developed countries, and, finally, a realistic method of resisting the Sino-Soviet attempt to extend its influence through a massive economic offensive.

Bureau of the Census and Labor Department figures prove that at least 6 million American families are directly affected by our exports and imports—that is, they are engaged in production or distribution of goods that make up our foreign trade. It is clear that we cannot retreat behind tariff and quota walls to avoid the competitive impact of the new Europe. Should we do so, Europe will almost surely retaliate by raising its tariff barriers against us; the Western free world will be divided into two much slower growing halves; our export industries will not expand; and, finally, by becoming an economic adversary of Europe, we will be weakening the whole framework of Western unity, strength, and common purpose vis-a-vis the Soviet bloc.

Currently we are the strongest of the industrial giants of the free world. As such, it is incumbent upon us to exert our leadership toward a growing policy of cohesiveness.

In assessing the trade expansion bill, I have stated what I feel all Americans must do, and have looked carefully at the impact the proposals would have on our country as a whole and on our economy as a whole. I think there is no doubt that it is the best interests of the United States of America to give the President the tariff and trade negotiating authority requested in this bill.

But the question which I must also consider—which it is my responsibility to examine most exhaustively—is how the new trade proposals will affect my own State of Utah. We are located inland in the continent—in the great Rocky Mountain empire—and whenever we ship products overseas, we must pay first the high freight rates to get them to a port. But despite this handicap, I am convinced that Utah would benefit far more than she would be hurt by the new trade bill.

U.S. exports for the last 3 years have been running over $20 billion per year. Fully three-fourths of this total, or $15.5 billion comprised manufactured exports in 1960. Utah participated to the extent of $45.8 million in three major categories, namely, nonelectrical machinery, primary metals, and food and kindred products. Of the $2.9 billion of nonelectrical machinery exported from the United States in 1960 our share from Utah amounted to $19.7 million. These comprised mostly mining machinery and equipment, sugar making systems, beet cutters, conveyors, hot air furnaces, and off-highway motor scooters. Moreover, our nonelectrical machinery industry depends heavily on imports of special metals for its high volume of production. We need and use concentrates of manganese, chromite, nickel, cobalt, and tungsten, as well as industrial diamonds, graphite, and rubber.

Of the $1.1 billion worth of primary metals exported from the United States in 1960, Utah supplied $16.4 million worth. Our best customers were the United Kingdom, France, West Germany, and Italy—all countries with whom we hope to reach some kind of trade accommodation in the very near future. To these countries we export steel plate, standard structural steel, hot rolled sheets and pig iron. We also export petroleum pipe and water works pipe.

Of the $1.6 billion of food and kindred products exported from the United States in 1960, Utah supplied $5.5 million worth. These consisted of packaged meat products, flour, food mixes, formula feeds for poultry and livestock, and soybean products. On the other hand, as you know, we import coffee, tea, bananas and many other foods we are loathe to do without.

Thus in every major industrial category affecting Utah—and it would apply elsewhere too—both exports and imports are essential to the prosperity and well-being of our people.

It has not been easy for me to decide how to vote on this bill. I know that some of the larger trade associations in the United States, including the U.S. Chamber of Commerce, the National Association of Manufacturers, the United States Council of the International Chamber of Commerce, and the National Foreign Trade Council, support this bill, as does the AFL–CIO. On the other hand, I know also that certain limited sectors of our industrial complex will be hurt by increased imports that will come in because of the trade and tariff reductions which will be made. I reserve, therefore, the right to take appropriate action to protect some small Utah industries when amendments to this bill are considered. In most cases I feel that the built-in assistance provisions of the trade bill as well as the incentive provisions of the tax bill will offset the injurious impact of increased imports. I believe the adjustment provisions of the bill are adequate to protect not only our working men and the firms affected, but also whole industries that might suffer from tariff reductions granted to other nations. If they do not prove adequate, I will be among the first to demand new and stronger adjustment provisions.

One Western industry—one Utah industry—which immediately comes to mind when trade expansion is considered is the lead and zinc industry, which has been so seriously injured by importation of cheaply-mined foreign ores. The Trade Expansion Act of 1962 reserves from negotiation all products subject to outstanding escape-clause actions, and this, of course, includes lead and zinc, which has gone to the Tariff Commission for escape-clause action on seven separate occasions.

Under certain circumstances, the President must also continue protection on other products which have been the subject of Tariff Commission recommendations under the escape clause, and he may protect such other articles as he deems appropriate. I feel, therefore, that there is no basis for believing that the bill before us will jeopardize the interests of the domestic lead and zinc industry. The industry is in dire financial difficulties, and it must have assistance, but this bill is not, in my opinion, the instrument in which to attempt to provide that assistance. There are other, and far better ways.

There is much discussion as to what will happen when—and if—Great Britain joins the Common Market. It will certainly increase the resources and manpower available to the Common Market and increase its bargaining strength. But this need not work to our detriment. On the contrary, it may well increase the demand for American goods and the purchasing power to pay for them. To take advantage of this expanded market, this trade bill comes to have crucial importance. The very purpose of the bill is to enable us to enhance our bargaining power, especially with the Common Market. Admittedly, we are likely to find ourselves in a position where some difficult adjustments need to be made, yet I think it is time that we learned to accommodate ourselves to the impact of rising trade, both exports and imports, and to take the bad with the good. For the Nation and for my State of Utah the effects will be predominantly good. It will stimulate industrialization and economic growth, and will broaden the range of consumer goods available to our people.

This new trade bill will enable America and our friends to gear ourselves for increasing growth. It is a logical extension of two major economic offensives—the reciprocal trade agreements program and the Marshall plan—which we initiated and which resulted in major economic profit to us and to the world.

Today we are confronted with the dual problem of Soviet economic penetration and increasing attempts by us and our friends to raise the living standard of the lesser developed nations of the world. Again the call has come to us for international leadership to provide the means by which the economic viability of the free world will be assured. Should we accept this call, I feel confident that the beneficial results will far outweigh any injury that might be caused to a few sectors of our vast industrial productive complex.

I am convinced that this bill is above partisanship, above sectionalism, and will enhance the prestige of the United States in its relationships with the industrialized and emergent countries of the world. I support this bill and urge its prompt approval.

AUTHORIZATION OF APPROPRIATIONS FOR ATOMIC ENERGY COMMISSION—CONFERENCE REPORT

Mr. PASTORE. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 11974) to authorize appropriations for the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes. I ask unanimous consent for the present consideration of the report.

The ACTING PRESIDENT pro tempore. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of Sept. 11, 1962, pp. 17990–17992, CONGRESSIONAL RECORD.)

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. PASTORE. Mr. President, I would like to make a very short statement concerning the conference report on H.R. 11974.

As Senators will recall, the other body included an amendment to this bill prohibiting the Atomic Energy Commission from entering into any arrangements for the sale or use of byproduct steam from the Hanford new production reactor. Shortly thereafter the Senate, acting upon the same bill, authorized certain arrangements under which electric generating facilities to harness this waste steam could be built by a group of 16 utility districts in the Pacific Northwest, at their own expense, and without any Federal expenditure. The bill was then sent to conference.

The conferees negotiated in good faith, in a full and free conference, and arrived at a compromise which will permit the reasonable use of this valuable national resource while providing total protection for the U.S. Treasury.

The compromise amendment would prohibit any arrangements for the addition of electric generating facilities at the Hanford new production reactor unless and until the Atomic Energy Commission could make a series of difficult and searching determinations, and then only if it could meet the stringent terms, conditions, and limitations contained elsewhere in the amendment.

First, the AEC will have to find that usable byproduct energy will be produced incident to the new production reactor's primary operation for the purpose of producing plutonium for weapons. Moreover, AEC will have to find that this production is in accord with the design of the reactor as originally authorized by the Congress.

This finding should remove any doubt concerning the usefulness of the byproduct energy from the new production reactor and it will assure that no additions to the reactor, paid for by the Government, are necessary to accommodate the generation of electricity.

Second, the AEC will have to find that the sale of this energy will provide a substantial financial return to the U.S. Treasury. This finding will make it absolutely clear that it is the taxpayers who will be the ultimate beneficiaries of these arrangements—and the benefits are substantial because the sale of this otherwise wasted steam could bring up to $125 million or more into the Treasury.

Third, the Commission will have to find that the national defense posture will be improved as a result of these arrangements. This finding will assure that the common defense and security of the Nation will be enhanced, because the reactor will be in constant standby condition, ready to resume plutonium production on a moment's notice in the event of any suddent change in international conditions or plutonium requirements. This will also save the taxpayers an estimated $4 million, otherwise needed to meet standby costs.

These determinations will provide positive assurances as to the technical and economic desirability of the project, its national defense advantages, and its benefits to the taxpayers of the United States. In addition, the conferees have inserted other binding conditions and limitations.

For example, section 112(c) provides that not a single dollar of Federal money may be spent for any electric generating or transmission facilities at the Hanford reactor.

In section 112(d) there is a further guarantee that any losses to the Bonneville Power Administration in connection with these arrangements will be borne by the customers of the Bonneville system through rate adjustments. This section provides an ironclad guarantee that neither the Federal Government nor the taxpayers will suffer any financial loss as a result of these arrangements.

Finally, the conferees have preserved the feature of the earlier Senate amendment assuring that 50 percent of this electric energy will have to be offered to private utilities under unusually favorable contracts which will not be subject to any preference or pullback provisions in any law. These contracts are guaranteed as inviolate, even in the unlikely even that the generating facilities are acquired by the Federal Government. In no event, however, could the generating facilities be acquired without prior and specific congressional authorization.

In summary, this conference report provides a commonsense approach to harnessing the waste steam from the Hanford new production reactor, under arrangements which guarantee no cost and no risk to the Federal Government. It holds the promise of significant benefits for the Pacific Northwest and the taxpayers of the United States.

Mr. President, I urge prompt approval of this conference report.

Now I am happy to yield to the Senator from Washington [Mr. JACKSON].

Mr. JACKSON. Mr. President, I wish to associate myself with the able remarks of the distinguished vice chairman of the Joint Committee on Atomic Energy, the senior Senator from Rhode Island [Mr. PASTORE].

I believe that the conference report on H.R. 11974 is a commendable piece of work. It will permit the use of a valuable national resource under rigidly defined statutory conditions. The net result will be enormous benefits to the public and private utilities of the Pacific Northwest and their customers, as well as the citizen-taxpayers of the United States.

Mr. President, this brings to a conclusion a long struggle to authorize the project. I am happy that we were able to reach almost a unanimous vote among the conferees. There was only one dissent. The conferees on the part of the Senate were unanimous.

At this time I wish especially to pay tribute to the chairman of the Joint Committee on Atomic Energy, Representative HOLIFIELD, of California, who fought so vigorously against great odds in the many battles which occurred in the House over this measure; to the able vice chairman of the committee, the Senator from Rhode Island [Mr. PASTORE], who has been steadfast in his support of the project; to the former chairman of the committee, the junior Senator from New Mexico [Mr. ANDERSON], who has worked diligently all through the years to obtain authorization of this project; and to the members of the Joint Committee, who ably supported the project, along with the Members of the Washington State congressional delegation.

Especially I wish to thank my senior colleague, WARREN G. MAGNUSON, for the able support he gave to the project, which made possible, in a large measure, the wonderful vote received in the Senate.

Mr. President, this conference report represents a victory for conservation and economy and a defeat for waste. I wish to add my support for its prompt approval by the Senate.

Mr. PASTORE. Mr. President, I move that the conference report be agreed to.

The PRESIDING OFFICER (Mr. BURDICK in the chair). The question is on agreeing to the motion by the Senator from Rhode Island.

The motion was agreed to.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll and the following Senators answered to their names:

[No. 257 Leg.]

Bartlett	Engle	Monroney
Bible	Goldwater	Morse
Boggs	Hickenlooper	Pastore
Burdick	Jackson	Pell
Bush	Johnston	Proxmire
Byrd, Va.	Jordan, N.C.	Randolph
Carlson	Long, Hawaii	Robertson
Chavez	Mansfield	Sparkman
Clark	McCarthy	Wiley
Cotton	McGee	Williams, Del.
Curtis	McNamara	Yarborough
Dirksen	Miller	Young, Ohio

Mr. MANSFIELD. I announce that the Senator from Nevada [Mr. CANNON], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Florida [Mr. HOLLAND], the Senator from Washington [Mr. MAGNUSON], the Senator from Oregon [Mrs. NEUBERGER], the Senator from Massachusetts [Mr. SMITH], the Senator from Illinois [Mr. DOUGLAS], the Senator from Tennessee [Mr. GORE], and the Senator from Minnesota [Mr. HUMPHREY] are absent on official business.

I further announce that the Senator from New Mexico [Mr. ANDERSON] and the Senator from Alaska [Mr. GRUENING] are necessarily absent.

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. ALLOTT] is absent on official business as a U.S. representative to the General Assembly of the United Nations.

The Senator from Maryland [Mr. BUTLER], the Senator from South Dakota [Mr. BOTTUM], the Senator from Indiana [Mr. CAPEHART], the Senator from New Jersey [Mr. CASE], the Senator from Nebraska [Mr. HRUSKA], the Senators from New York [Mr. JAVITS and Mr. KEATING], the Senator from Kentucky [Mr. MORTON], and the Senator from New Hampshire [Mr. MURPHY] are necessarily absent.

The Senator from Texas [Mr. TOWER] is necessarily absent attending the Republican State Convention as required by Texas law.

The Senator from Massachusetts [Mr. SALTONSTALL] and the Senator from Pennsylvania [Mr. SCOTT] are detained on official business.

The PRESIDING OFFICER. A quorum is not present.

Mr. ENGLE. Mr. President, I move that the Sergeant at Arms be directed to invite the attendance of absent Senators.

The PRESIDING OFFICER. The question is on the motion of the Senator from California.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

After a little delay, Mr. AIKEN, Mr. BEALL, Mr. BENNETT, Mr. BYRD of West Virginia, Mr. CARROLL, Mr. CHURCH, Mr. COOPER, Mr. DODD, Mr. EASTLAND, Mr. ELLENDER, Mr. ERVIN, Mr. FONG, Mr. HART, Mr. HARTKE, Mr. HAYDEN, Mr. HICKEY, Mr. HILL, Mr. JORDAN of Idaho, Mr. KEFAUVER, Mr. KERR, Mr. KUCHEL, Mr. LAUSCHE, Mr. LONG of Missouri, Mr. LONG of Louisiana, Mr. MCCLELLAN, Mr. METCALF, Mr. MOSS, Mr. MUNDT, Mr. MUSKIE, Mr. PEARSON, Mr. PROUTY, Mr. RUSSELL, Mr. SMATHERS, Mrs. SMITH of Maine, Mr. STENNIS, Mr. SYMINGTON, Mr. TALMADGE, Mr. THURMOND, Mr. WILLIAMS of New Jersey, and Mr. YOUNG of North Dakota entered the Chamber and answered to their names.

The PRESIDING OFFICER. A quorum is present.

TRADE EXPANSION ACT OF 1962

The Senate resumed the consideration of the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes.

Mr. BUSH. Mr. President, in approaching the consideration of the proposed Trade Expansion Act, I believe we should have in mind that there are three phases of procedure. The first is the preparatory stage, in which the material is arranged for use by the President or his agents in connection with the negotiation of agreements. A large amount of preparatory work is necessary for the assistance of our negotiators.

The second phase deals with the negotiating process itself.

The third phase relates to the question of relief, if it is determined that industries or groups of workers have been seriously injured because of excessive imports.

The amendments which have been offered on behalf of myself and other Senators relate to all three phases of the bill. The first amendment, which is now the pending business, relates to the restoration of the peril point findings in the preparatory stage of trade agreements.

The second amendment, which may not necessarily be offered second, relates to the restoration of the escape clause procedure. This has to do with phase No. 3 involving the question, After injury is recognized as having been done, what relief will Government accord the injured? So a restoration of the escape clause comes in the category of "after the event."

Another amendment deals with the prerogatives of Congress, and would permit a majority vote of each House to make effective an escape clause recommended by the Tariff Commission, and to reinstate the privileged resolution status provided by existing law.

The present law provides for a two-thirds vote of each House. The pending measure as reported from the Finance Committee calls for a constitutional majority of each House. My amendment calls for a simple majority, which is exactly what is required in connection with the passage of any law, including any tax law, and, indeed, including any measure except treaties and constitutional amendments.

Another amendment is designed to exclude from the negotiating list for reductions beyond the 50-percent limit, articles with respect to which the Tariff Commission makes peril-point findings. In other words, under the amendment, the President may not negotiate beyond a point which has been established by the Tariff Commission; and such articles must be removed from the list, so there will not be any chance of making agreements applying to such items.

Another amendment will provide very definite criteria under which the Tariff Commission shall make its peril-point or escape-clause findings. In this connection, the language of the bill is quite vague. We seek to sharpen it, so as to give the Tariff Commission positive instructions in regard to what may constitute a peril point or serious injury to an American industry or group of workers.

Another amendment will provide essential conditions for granting concessions to other countries. For example, it will require equal treatment for our exports, and will require that the most-favored-nation policy, which has been our policy since the Trade Agreements Act came into effect, as introduced many years ago by Secretary Hull, be applied equally by our friends and allies, and particularly by the Common Market countries, which are the most important ones. This amendment will require them to accord the most-favored-nation policy to other countries, just as we do. In other words, if we make with the Common Market countries an agreement which provides for reduction of a tariff from 10 percent to 5 percent, we, under our most-favored-nation policy, extend the same concession to other

countries, such as Far Eastern countries, like Japan. Under this amendment, we would also require that they, too, make comparable concessions to other countries.

One of the great defects of the bill, as I see it, is that it ignores to too great an extent our relationships throughout the free world, and seeks to require U.S. markets to absorb too great a share of exports from the Far Eastern countries and also the Latin American countries. By means of this most-favored-nation amendment, we are trying to see to it that our good friends of the free world accord to other countries the same opportunity and privilege to trade that we do. We do not ask them to do more than that, but we ask that at least they extend to the other free world countries the same opportunity and privilege that we extend to them. This is a very important amendment, and I believe it will have a very profound effect upon our relationships with the other nations of the free world.

Another amendment requires that the United States must account for 25 percent or more of free world trade in articles on which tariffs may be reduced to zero. In other words, it hardly seems appropriate that if we are not engaged in such trade to the extent of at least 25 percent of world trade on these items, the tariff should be reduced to zero. In short, we must have a stake in this trade, and we must be an important part of it if we are to agree that the tariff shall be reduced to zero.

The next amendment would make a peril-point report of the Tariff Commission to the President a prerequisite to negotiations. In other words, he must have the report in hand before he commences negotiations. The bill calls for a period of 6 months in which the Tariff Commission is to prepare its data. But there is great doubt as to whether that will be sufficient time. This amendment provides that the President shall not negotiate until he receives from the Tariff Commission its peril-point recommendations.

Now I come to my first amendment, which has to do with the peril point itself. I believe that, first, we should place in perspective just what we are going to amend, before I discuss the amendment itself.

When we are in phase 1 of making a trade agreement—that is to say, the preparatory stage—section 221 deals with "Tariff Commission Advice." I shall read it:

CHAPTER 3—REQUIREMENTS CONCERNING NEGOTIATIONS

SEC. 221. TARIFF COMMISSION ADVICE.

(a) In connection with any proposed trade agreement under this title, the President shall from time to time publish and furnish the Tariff Commission with lists of articles which may be considered for modification or continuance of United States duties or other import restrictions, or continuance of United States duty-free or excise treatment. In the case of any article with respect to which consideration may be given to reducing the rate of duty below the 50-percent limitation contained in section 201(b)(1), the list shall specify the section or sections of this title pursuant to whch such consideration may be given.

(b) Within 6 months after receipt of such a list, the Tariff Commission shall advise the President with respect to each article of its judgment as to the probable economic effect of modifications of duties or other import restrictions on industries producing like or directly competitive artcles,

That language was voted by the House; and it will be noted that it includes the 6-month limitation to the Tariff Commission. The amendment to which I last referred in my summary of the pending amendments has to do with that 6-month limitation.

The committee amendment on page 10 provides as follows: "so as to assist the President in making an informal judgment as to the impact that might be caused by such modifications on United States industry, agriculture, and labor."

At that point the Finance Committee also struck out from the House version of the bill the words:

In the course of preparing such advice, the Tariff Commission shall, after reasonable notice, hold public hearings.

However, as I continue with the committee amendments, it will be seen that the Finance Committee reinstated that provision later in the bill.

Next on page 10, the committee amendment provides as follows:

(c) In preparing its advice to the President, the Tariff Commission shall, to the extent practicable—

(1) investigate conditions, causes, and effects relating to competition between the foreign industries producing the articles in question and the domestic industries producing the like or directly competitive articles;

(2) analyze the production, trade, and consumption of each like or directly competitive article, taking into consideration employment, profit levels, and use of productive facilities with respect to the domestic industries concerned, and such other economic factors in such industries as it considers relevant, including prices, wages, sales, inventories, patterns of demand, capital investment, obsolescence of equipment, and diversification of production;

(3) describe the probable nature and extent of any significant change in employment, profit levels, use of productive facilities and such other conditions as it deems relevant in the domestic industries concerned which it believes such modifications would cause; and

(4) make special studies, whenever deemed to be warranted, of particular proposed modifications affecting United States industry, agriculture, and labor.

I think those additions are very important. I have read these amendments to the bill as passed by the House. I think they point up the importance of the Tariff Commission, and recognize that there must be a responsible, expert body, such as the Tariff Commission, in a very intimate advisory capacity with the President, in order to insure that in making trade agreements the President will take into account all the various factors I have enumerated.

But the one point that is missing, and which my amendment, now pending, seeks to restore, is the exact point the Tariff Commission should find—namely, the peril point—below which the President cannot reduce duties without the risk of serious injury to American industry and workers.

My amendment, which will go between lines 5 and 6 on page 11 of the bill, adds this language to that which I have read. It adds this language to the committee amendment. The language is to be inserted between lines 5 and 6. The Tariff Commission shall—

(5) find and report with respect to each such article—

(A) the limit to which modification of duty or other import restriction may be made in order to carry out the purposes of section 102 without causing or threatening serious injury to the domestic industry producing like or directly competitive articles; and

(B) if increases in duties or additional import restrictions are required to avoid serious injury to the domestic industry producing like or directly competitive articles, the minimum increases in duties or additional import restrictions required.

So the amendment adds to the committee amendment the very definite statement of the limits above which modifications can be made. If the tariff on an item is 20 percent, the Commission may find the limit, the peril point below which it should not be reduced without causing or threatening serious injury, may be 10 percent.

Under the House bill, as amended by the Senate committee, no peril point is fixed. General statements are made, but there is no specific advice to the President concerning limits beyond which he may not go because if he did, it has been determined by the Tariff Commission that it would cause or threaten serious injury and would cause substantial unemployment to American workers.

Under the pending bill, and any modifications of it which may occur, the President could violate the peril point; but if he did so, he would have to explain to the Congress why he did so.

I shall now make my argument in favor of my peril-point amendment, which, as I have said, I have offered on behalf of myself and eight or nine other Senators.

This amendment has one simple purpose: to reiterate the peril-point findings as an essential part of the prenegotiation procedure in trade agreement preparations.

The bill as it reached the Senate did not allow the Tariff Commission to make such findings. In effect, it repealed existing law under which the President is advised by the Tariff Commission of the extent to which he can lower duties without running a risk of seriously injuring domestic industries, agriculture, and workers.

The Finance Committee was obviously worried about the skimpy gesture which the House bill makes in the direction of providing the President with advice of this kind before he negotiates. But the committee amendments, as I said a moment ago, stop short of requiring the Commission to do what it has been doing for the past 11 years—to wit, actually finding the extent to which duties can be cut without causing injury.

The committee amendments make a great show of describing all the economic factors the Commission is to investi-

gate, analyze, describe, and study in preparing its report to the President. Yet the committee failed to find the words to say simply that the Commission should use its expert judgment to draw a conclusion from all these data—a conclusion as to the extent to which duties on particular articles being considered for negotiation can safely be reduced.

No conclusion is called for.

Why do we have a Tariff Commission if we are unwilling to trust its judgment on the safe limits for tariff change? It is undeniable that somebody will decide how far to cut these tariffs. Somebody will have to make that decision in connection with trade agreements. Is the President's judgment better than the Commission's? We all know that the President cannot make such judgments himself. He is bound to be dependent on the advice of others. Who, then, will make them?

The members of the Tariff Commission are appointed by the President. Their nominations are subject to confirmation by the Senate, and they are required to have expert knowledge in these matters. The law requires them to have expert knowledge in these matters, and their experience, being confined entirely to these areas of inquiry, certainly fortifies their abilities to make such judgments.

Is it not better to have these Commissioners, in whose selection we all participate through the confirmation process, draw informed conclusions as to the extent to which tariffs can be safely reduced, than unknown persons in the Executive branch—probably in the State Department—who never have to answer to us for their conduct?

It is said by administration spokesmen that the Tariff Commission says they cannot do this job with precision. But the peril point procedure has never been regarded as a precision after-the-fact type of determination, because it obviously deals with the probable effect of a tariff cut on future events.

It is significant that the Tariff Commissioners themselves did not testify before either the Finance Committee, or the House Ways and Means Committee. The Tariff Commissioners did testify, however, on the 1958 Extension Act when it was before the House Ways and Means Committee. The Commission then correctly described the nature of the peril point procedure. Its description is of great importance to our present study of the peril point provisions of this bill. The Commission—all of them—told the Ways and Means Committee in 1958 as follows:

> It has always been recognized that the peril-point provision, insofar as it involves the determination by the Commission of the extent to which a rate of duty might be reduced without causing or threatening serious injury to a domestic industry, is, for all practical purposes, a forecasting process. The best that can be expected of the Commission is a considered judgment the value of which is recognized only because made by an agency which is expected to have a certain amount of prescience in this area by reason of its preoccupation with the study of the effects of import competition on domestic industries.

That is what the Commissioners told the House Ways and Means Committee in 1958, in the 85th Congress. That quotation is taken directly from the hearings held at that time by the Ways and Means Committee of the House, in part 1, page 245.

It is obvious, Mr. President, in view of this description by the Tariff Commission, that no one can seriously suppose the peril point findings to be made with precision. They are forecasts, but highly informed forecasts by the agency most qualified to make such forecasts.

I would go further, and say that the only agency qualified to make such forecasts is the agency established especially with the knowledge, equipment, experience, time, and responsibility of making such forecasts.

So the objection now voiced by the administration that the peril point findings are not always precise is beside the point. It begs the question. The issue is, Do we want the Preseident to have before him when he acts a blueprint that will help him structure the negotiations with safety for our domestic industries? Or, conversely, do we want him to proceed without any knowledge of where an informed expert body would draw the line between safety and danger?

That is the difference between accepting my amendment and not having it. On the one hand, we would fortify the President with expert advice; on the other hand, the President would be free to act only on very general advice, which would not point up the line at which safety ends and peril or danger begins.

Under the existing law, the President is free to cut duties beyond the limits set in the peril point forecasts of the Commission, providing only that he explain to Congress his reason for doing so. The amendment would not hamstring the President. He could violate the peril point if he came to the Congress and explained why he was doing so.

In the recent Dillon round of negotiations, President Kennedy cut many duties more deeply than the Commission's peril point findings forecast could safely be done. So the existence of the findings would not tie the President's hands, as is asserted by the opponents of the amendment. The findings are designed to help him do a better job with precise information and expert advice.

Let it be clear, too, that the bill, either before or after the Committee amendments to section 221, would not save any of the Tariff Commission's time, nor result in any more expeditious procedure.

I have read all the things they are supposed to do. On the contrary, the Commission in a memorandum submitted to the Ways and Means Committee said:

> Section 221 of the bill does not call for the fixing of specific peril point rates but calls for judgments and evaluations based on specified criteria which, in the view of the Commission, would impose a much greater burden than that imposed by the existing peril point provision.

That statement is found in the transcript of hearings before the Ways and Means Committee, Trade Expansion Act of 1962, part 2, page 1004.

The Commission did not testify to this. The Commission prepared a memorandum. As I pointed out previously, the Commission has not been heard either before the House Committee on Ways and Means or the Senate Committee on Finance. This strikes me as strange, because that is the most expert body in connection with this whole problem. For some reason, unknown to me, the Commission has not been heard. I do not say that critically of either committee, but it is surprising to me that the Tariff Commission was not called upon to testify before either of the committees.

Mr. CURTIS. Mr. President, will the distinguished Senator yield?

Mr. BUSH. I gladly yield to the Senator from Nebraska.

Mr. CURTIS. I commend the very distinguished Senator from Connecticut for presenting the amendment to reinstate the peril-point procedure. The peril-point determination and procedure is one which should be very helpful to the President.

The Tariff Commission has been in existence since the early part of this century, I believe about 1916. The Tariff Commission has the staff, the equipment, and the know-how to make an appraisal of the American economy and the effect of imports and exports.

Under the existing peril-point procedure, the Tariff Commission studies an item and then advises the President how far he can safely go in lowering the tariff. I call attention of Senators to the fact that the peril-point finding is never made public. It can never be used to embarrass the President. Our own people do not have it. Those who are negotiating for the foreign country do not have it.

The best equipped agency in the U.S. Government to advise the President at what point it would be dangerous to go further provides the information.

We would not be hamstringing the President.

I think this proposal has a wider application, too. Our trade agreement program heretofore has been a program to expand business, to create more jobs, and at the same time not to hurt anybody. If we should abandon the peril-point principle and set up first aid stations along the way for industries which are hurt, by way of loans to business and by way of special unemployment compensation to workers who might lose their jobs because of imports, what we really would be doing would be abandoning the trade agreements program principle, which is not to hurt the American economy; is that not correct?

Mr. BUSH. The Senator is absolutely correct. The "no injury" policy in connection with the trade agreements program goes back to the very first day it became law. It was a part of the philosophy of then Secretary Hull. It was part of the policy of then President Franklin D. Roosevelt. It was adopted and followed by the Truman administration and by the administration of President Eisenhower.

The Senator has made an important point. The bill would establish a brand-new policy, which would be to scrap the so-called no-injury policy and to recognize, in the heart of the bill, that the program would cause much disemployment of American workers. Under title III of the bill there would be set up a so-called adjustment assistance program to offer loans to the companies badly hurt—perhaps even put out of business—by excessive imports, and a dole to American workers through an opportunity to take a retraining program, which would be very difficult for men to do after they attain the age of 45 or 50 years. I am sure the Senator and I would not wish to accept a retraining program.

In my State I know that this is one of the things about which the workers are very apprehensive.

There is also a provision that if there is no place in the home State where the men who have had retraining can use their new skills, the Government will pay their expenses to South Dakota or some other State, to begin life all over again at the age of 45 or 50 years.

I think that is one of the most cruel provisions I have ever seen in a piece of proposed legislation, because it recognizes the fact that the Federal Government contemplates, deliberately disemployment of American workers and the setting up, as the Senator says, of first aid stations and hospitals to take care of those seriously injured.

The Senator has made a very important contribution to this debate, very early in the debate, by pointing out these facets of the bill.

Mr. CURTIS. I thank the Senator. Is it not also true that if a decision can be made by the negotiator to injure a domestic industry, that same decision assists a foreign industry? So it transfers jobs from one place to another. If that is not a managed economy by Government decision, how would one be created?

Mr. BUSH. I agree with the Senator. If the President avails himself of the powers that he seems so eager to possess and which are accorded him under the House bill and even under the Senate version as modified, I believe that we can expect to see our already serious unemployment situation, which is one of the great worries of this administration and one of the great worries of the Congress, become more serious because of the workers who will be deliberately disemployed by the action of the Federal Government in making trade agreements that will cause serious injury. I think that is the principal issue involved in the bill. The Senator has asked, Are we going to depart from a no-injury policy, which has been the basic policy in connection with the Trade Agreements Act since its inception, or are we going to adopt a new policy which provides that, in order to make trade agreements and presumably to increase our exports—whether or not it would really do so is a question we shall have to get into a little later—we would have to disemploy perhaps hundreds of thousands of American workers.

That is my basic reservation about the whole bill. I am glad to make clear that heretofore, from time to time, when it has come to the Senate floor, I have supported the Trade Agreements Act. I was a member of the Randall Commission in 1953 and 1954, which reviewed the whole question of our foreign economic policy and the Trade Agreements Act. So I am no stranger to the issue. I am one who, I think, has taken and wants to take a so-called liberal attitude toward foreign trade. I want to see our exports increased. I want to see the people of our country have the benefit of improved trade agreements which will give us a wider variety of imports and have the effect of keeping prices in line in this country to some extent. All of that I believe in very much. But I do not believe in a proposal that would give the President the authority deliberately to vacate the no-injury policy, which has been the historic policy, and substitute for it economic hospitals and first aid stations, as the Senator from Nebraska [Mr. CURTIS] has said, to repair the damage. We do not know just how far he will go with the program. But I do not believe we should sit here and take action which would surely increase substantially the unemployment problem in the United States.

Mr. CURTIS. The Senator has been very generous in yielding. I wish to make one further observation.

Mr. BUSH. I am delighted to yield to the Senator. No Senator has been more devoted to finding the truth on this subject. The Senator from Nebraska is a member of the Finance Committee. He has taken a leading part in the consideration of the measure, and over the years has acquired much more knowledge about this subject than most Members of the Senate possess. So I am grateful to the Senator today for the remarks he has made and is making in connection with the measure. I hope that all Senators will have an opportunity to read his remarks in the RECORD.

Mr. CURTIS. I thank the Senator. I think he is overly generous. It has been my privilege to serve in the Congress for 24 years. During that time I have never seen a bill presented to the Congress that openly admitted that one of its objectives was to close businesses and create unemployment. I would like to have the proponents of the bill cite one instance in the history of the Republic in which a proposal of any kind was presented with the announced objective of closing factories, production plants, and distributing plants and the ending of jobs held by American citizens. I thank the Senator.

Mr. BUSH. Mr. President——

Mr. THURMOND. Mr. President, will the distinguished Senator yield?

Mr. BUSH. I am happy to yield to the Senator from South Carolina, who is a cosponsor of the pending amendment, and, incidentally, of other amendments which will be called up.

Mr. THURMOND. Mr. President, I wish to commend the able senior Senator from Connecticut [Mr. BUSH] for his persistence and farsightedness in advocating certain amendments to the trade expansion bill of 1962. It was my pleasure to join with him in cosponsoring a series of 37 amendments to this bill which were designed to provide the President with definite congressional guidelines in the administration of the far-reaching powers granted to him by this measure.

The particular amendment, which was one of the 37, and is presently under consideration would incorporate the existing peril point procedure into the provisions of H.R. 11970. I believe that this is a vital addition to this bill if we are to avoid the unnecessary sacrifice of many of our domestic industries. I believe that the distinguished senior Senator from Connecticut [Mr. BUSH] is making that point very clearly. The peril-point concept was implicit in the policy enunciated by the President at the time of the initiation of the trade agreements program in 1934. This concept was one which arose out of necessity and experience and was by no means a last minute congressional thought to hamper our trade negotiators. In fact, the peril-point procedure existed only through practice until it was enacted into law by Congress in 1948. It has existed in our law, with certain amendments, continuously since 1951.

The peril-point policy is designed to avoid trade commitments that may be seriously injurious to domestic industries. Under the terms of the bill as it was reported by the Senate Finance Committee the President is directed to furnish the Tariff Commission with lists of articles which may be considered for modification or continuance of U.S. duties or other import restrictions, or continuance of U.S. duty-free or excise treatment. The Tariff Commission is directed to advise the President with respect to each article as to the probable economic affect of modifications of duties or other import restrictions on industries producing like or directly competitive articles. Even though the Senate Finance Committee did add an amendment to the bill specifying the criteria which must be considered by the Tariff Commission in its study, this section still falls far short of the present peril-point procedure. I believe that the Senator from Connecticut would agree with that statement.

Mr. BUSH. I certainly do.

Mr. THURMOND. The amendment offered by the senior Senator from Connecticut [Mr. BUSH] would direct the Tariff Commission to determine the extent to which the duties could be reduced on each such article without causing or threatening serious injury to the domestic industry producing like or directly competitive articles.

Mr. President, I believe it is essential that the Tariff Commission be directed to make this determination as to the limit below which duties should not be reduced. This finding by the Tariff Commission would no doubt be valuable information to the President in the conduct of trade negotiations with other countries. I am happy to lend my wholehearted support to this amendment and urge that the Senate incorporate it into the provisions of H.R. 11970.

Mr. BUSH. I thank the able Senator, my good friend from South Carolina, for his very pointed remarks. I certainly agree with what the Senator has said. I am sure the Senator will agree with me that it is important that we stick to the "no injury" policy, for many reasons. One is that in manufacturing, for instance, as of last year—and I do not believe the situation has changed very much since then—the average wage rate in the Common Market countries was approximately 55 to 60 cents an hour. Some were below 55 cents and some were a little more than 55 cents. However the average for factory workers was of that order. At the same time, in the United States, it was $2.29 an hour. In Japan, it was 28 cents an hour, including fringe benefits. That is a tremendous wage differential.

In spite of that, there are many items in connection with which we have expertise or special know-how, and special mass production procedures, which actually enable us to compete with Common Market countries. However, those countries are rapidly modernizing and renovating their plants. I am told by American manufacturers who have toured those countries, that in many instances they have caught up with us and have even exceeded us in some instances in the means of production, in the expertness of produtcion, and in the reduction of costs.

Therefore, it is necessary, if we are to make agreements with the modernized Common Market, with the revitalized nations of Europe, that in making agreements the President take into account some point below which he should not go in reducing duties, lest he cause serious injury to American workers and American firms because of the very wide cost differential.

Many agencies have studied this problem, among them the National Industrial Conference Board. It has shown that there is no question that the difference in labor cost is a very important factor in connection with our ability to compete on any manufactured item.

Therefore, we want to have the President recognize the fact that we have certain disadvantages insofar as costs are concerned, and that we wish him, in making trade agreements, to be fortified with precise information prepared by experts, who would tell him how far he could go without causing serious injury. If he wished to violate the so-called peril point or to exceed it, some special reason—he has done it in the past and he may have good reason to do it again—at least he would know, when he went into negotiations, where the line was beyond which he could not go without causing serious injury.

Mr. THURMOND. Mr. President, will the Senator yield?

Mr. BUSH. I yield to the Senator from South Carolina.

Mr. THURMOND. The distinguished Senator from Connecticut is eminently correct. The peril-point procedure is merely a safety device prior to an agreement, just as the escape clause is a safety device after an agreement. Several Presidents have used the peril-point procedure, and it has been valuable, and of great assistance to them. Although it was put into practice first by administrative action, Congress thought so highly of it that it was adopted into law. It has served a very useful purpose. I again commend the Senator from Connecticut for his position on the magnificent presentation he is making today on this subject.

Mr. BUSH. I thank the Senator.

Mr. BENNETT. Mr. President, will the Senator yield?

Mr. BUSH. I yield.

Mr. BENNETT. Does the Senator from Connecticut know of any case in the past when the existence of the peril-point restriction has seriously impaired the power of any previous President in any negotiations acting under his authority to develop the necessary trade relationship?

Mr. BUSH. I have watched this situation very carefully, certainly for the past 10 years, and I have attended a meeting of GATT as a senatorial observer. I agree that there has never been any question raised regarding the usefulness of the peril-point procedure, and there has never been any criticism of it. In fact, it has been a useful and valuable tool. The President has on occasion violated it.

Mr. BENNETT. That is correct.

Mr. BUSH. Under our proposed amendment, of which the Senator from Utah is a cosponsor, the President could violate it again if he explained to Congress why he did so. Perhaps that explanation would be well received in Congress. All we say is that he should have that information on the peril point, the point beyond which he should not go without causing serious injury.

Mr. BENNETT. Mr. President, the value of the peril-point provision lies in the fact that it is a warning, a guideline. The present President of the United States has made wide use of guidelines in wage negotiations. This is a guideline in tariff negotiations. It seems to me that a President who attempts to fly blind without peril-point information will inevitably run into trouble. It may be necessary in the future to renegotiate, painfully, some agreement he may have made if he does not have the knowledge and warning that the peril-point process provides for.

Mr. BUSH. I agree with the Senator. I thank him for his observation. He is absolutely correct. I will proceed with the discussion of the amendment, and I shall conclude rather promptly.

Mr. President, the amendment which I have called up on behalf of myself and a number of other Senators, dealing with the peril point, merely requires the Tariff Commission to do the job in future trade-agreement preparations that it has done for the past 11 years; namely, indicate to the President the extent to which the duty or other customs treatment on each article scheduled for negotiation can be changed without, in the Commission's judgment, resulting in an increase in imports so large as to cause or threaten serious injury to any domestic industry, segment of agriculture, or workers. In describing the task to be performed by the Commission in this respect, the amendment uses the language of existing law.

We are not asking for any innovation. We are asking for the restoration of existing law. The amendment would do two things: It would require the Commission to make peril point findings, and it would require the President to explain to Congress his reason for doing so if he goes beyond the peril point with respect to any article.

I would like to repeat that, because it is so important. That is the heart of the amendment. It would require the Commission to make peril-point findings, and it would require the President to explain to Congress his reason for doing so if it goes beyond the peril point on any article. That is the heart of the amendment. I do not see how this would in any way hamstring the President or any agent who may go out to make a trade agreement on behalf of the President and the United States.

In conclusion, on the question of the peril point, the President himself assured all of us that peril points would be a part of his trade program. In his state of the Union message he said:

> We are not neglecting the safeguards provided by peril points.

This is the President of the United States speaking in his state of the Union message.

The President said:

> We are not neglecting the safeguards provided by peril points.

Apparently Mr. Ball, the Under Secretary of State, or someone else in the official family has since overruled the President's own preference as stated at that time. Ours is the responsibility to decide the policy; ours the duty to set the standards for use by the President of the power we delegate to him.

The peril-point findings have been a key part of that policy and those standards for more than a decade. No good reason has been given for abandoning them. They have worked well. Let us retain them. The bill gives the President more power than any other American President has been entrusted with by Congress. At the very least, let us require the President to proceed with as sharp a set of tools and as good a set of safeguards as his predecessors have been provided with and required to use.

Mr. President, that concludes my remarks for the present in connection with this amendment. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BUSH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. CURTIS. Mr. President, I rise in support of the amendments offered by the distinguished Senator from Connecticut [Mr. BUSH], on behalf of himself and a number of other Senators, including myself. The purpose of the amendments is to reestablish the peril-

point provisions of the trade-agreements program.

Mr. President, I make no criticism because of the fact that only a few Senators can be present in the Chamber to hear this presentation. Yesterday I noted that 10 Senate committees were scheduled to meet at 10 a.m., and the Senate itself met at 10 a.m. It is obvious that if the average number of Senators in attendance at each committee meeting was 15, it would have been impossible to have any Senators present in the Senate Chamber. This situation makes quite difficult the legislative procedure in the Senate Chamber during the closing days of this session.

It is my belief that abandonment of the peril-point procedures is so serious that we should record in the CONGRESSIONAL RECORD that a major change of policy is being made.

Heretofore the President has been empowered to negotiate with foreign countries and lower tariffs by 50 percent. Under the pending bill he can go beyond 50 percent. On a long list of articles, he can wipe them out.

Heretofore guidelines have been provided. The Tariff Commission is an agency established to study this one problem and nothing else. It studies tariffs, imports, exports, import fees, licenses, embargoes, and all such subjects. The wealth of information that the Tariff Commission has is an asset to this Government.

In the past, before a President began negotiating, the Tariff Commission delivered to him studies about the economics of the particular commodity under consideration, and designated a point beyond which any lessening of the protection to our country would create a peril. The administration bill before us asks that that protection be wiped out. It is true that the Tariff Commission is still empowered to study, but, insofar as relates to the Tariff Commission's making a determination to be helpful to the President, the bill before us, as reported by the committee, would eliminate that provision.

Such a procedure will not help the President. Why, then, is it being proposed? It is being proposed because we are asked in this trade agreement program to make a major change in policy. The record will show that when the present trade agreement program was inaugurated, back in the days of Cordell Hull, it was said, "Here is something to put America to work. We are going to stimulate foreign trade and make jobs and improve business in this country."

The proponents of the program fell short of their goal, but at least that was their objective; and a phrase has been used down through the years, the "no hurt policy." The procedure that America would lessen her trade barriers to encourage trade up to the point of not hurting anyone was a sound procedure. The bill before us says, in substance, "We are going to hurt people. We are going to cause unemployment. We are going to close factories and other business. We are going to lessen the farmer's market. In so doing we are going to pay some unemployment compensation over and above what other unemployed persons receive."

The bill also provides for special loans to businesses that are "put on the rocks" by reason of the trade program. So, coupled with that concept of a determination to hurt America, we are asked to take the peril-point guideline away from the President.

Such a proposal does not make sense. The peril-point guideline has been followed by many Presidents. The peril point, as we know it in the statute, came into being under President Truman. It was created by the Congress. However, back in the days of Franklin Roosevelt, there was an announced policy that the powers to negotiate would not be used to hurt American business and employment. As the program progressed, that policy was formalized into a statute, and the peril-point procedure was established.

Under President Truman, the peril point was either never pierced or seldom pierced. His negotiators, when they were confidentially advised by the Tariff Commission that here was a point of danger of peril beyond which they should not go, observed it.

Under the 8 years of President Eisenhower, he observed the peril point, which the President is not required to do. It is my understanding that on two or three occasions President Eisenhower, for some good reason, went beyond the point of peril as designated by the Tariff Commission.

Under the present administration the peril point has been disregarded many times. I thought the calculation was 62 times, but it has been reported that President Kennedy has pierced the peril point nearly 70 times.

Is not that all the more reason why the Congress should maintain the peril-point procedure in the law? I call attention to the fact that we are here as the representatives of sovereign States; and that we must protect certain rights of the States. We have certain obligations, including the one to uphold the Constitution of the United States.

The Constitution provides that Congress shall regulate foreign and domestic commerce. The Constitution provides that Congress, and Congress alone, shall impose taxes, which include tariffs and import duties. The Founding Fathers were so concerned about this factor that they provided that all bills to impose taxes must originate in the House of Representatives, the body close to the American people and responsible to them by election every 2 years. In the pending bill we delegate to the President power over a wide range of taxes. The least we can do is to retain in the law the established guidelines.

I think it is important that we retain these guidelines in the law, so that it will be understood that tariffs and trade are economic matters and should be dealt with as such. We should not abandon all basic economics and basic law with the idea that somehow miracles can be performed in the field of diplomacy.

I realize that there are those in the State Department who would like to have the power to go to representatives of foreign nations and to say, "You vote with us in the United Nations on a certain issue, and we will buy X tons of a certain product from you."

Let us analyze that situation. In the first place, such action would violate the fundamental rule that a person cannot buy friendship. It would fly in the face of the understanding that if a person does "buy" a friend, that friend does not stay "bought."

Another very serious thing is involved. Suppose other nations in the United Nations voted with the United States because of principle. Would we ignore those nations? Would we not give to them trade benefits by which we "bought" the vote of the less principled leader? I think not. That would not work. It would not be good diplomacy. It would not be good trade legislation.

In the past there have been a number of limits and guidelines in a trade agreement law, but even in that regard our trade program has not been free from criticism. The United States, by moving trade and tariffs into the diplomatic arena, has fought a losing battle. It has allowed foreign countries to impose many nontariff barriers such as quotas, embargoes, import licenses, unreasonable inspections, variable import fees, currency manipulations, and other harassments.

How have we gotten along in obtaining trade concessions? The result has not been very praiseworthy. We have negotiated away 80 percent of our bargaining power. Our tariffs are down 80 percent from where they were when this program was initiated.

The average duty on dutiable goods coming into the United States is 11 percent. That disregards the fact that about 40 percent of our imports come in duty free. Were we to take an across-the-board average, the average duty would be around 6 percent.

Do Senators know what is the average tariff for other industrial nations? It is 14 percent. The United States is one of the low tariff countries of the world.

I will cite some instances for the information of Senators.

When American manufacturers attempt to sell automobiles in Europe, the tariff is 22½ percent. In addition, the value of the currency may be changed while the article is being shipped overseas. There may be inspection fees.

What is the tariff when a foreign manufacturer ships an automobile to America? It is 6½ percent.

In the capital city of the great State which I have the honor to represent in part—Lincoln, Nebr.—a great amount of candy is made. More people are engaged in the manufacture of candy than in any other manufacturing enterprise there. What are the components of candy? They are agricultural products; sugar, milk, dried milk, butter, nuts, and so on.

Do Senators know how much the tariff would amount to were we to ship candy to European countries? There would be a 30-percent tariff. We would be charged 30 percent to send our candy there; and some countries would not permit it to come in, because of a requirement for import licenses.

Some Senators may have visited stores in this city and seen on display more foreign candy than American candy. The tariff on candy which comes to the United States is 14 percent. That involves the use of agricultural products. It involves American labor.

There are some other discriminations. The manufacturers of candy in foreign countries buy sugar much cheaper than our manufacturers can buy it, although sugar is the greatest bargain the housewife has when she goes shopping. They buy their milk and butter free from the American support price system. This enables them to take over a considerable market in this country.

(At this point Mr. PELL assumed the chair as Presiding Officer.)

Mr. CURTIS. Mr. President, a great deal has been said about agricultural products and the need to export them. I invite attention to the fact that the United States imports as great a volume of agricultural products as it exports.

The proponents of this legislation have stated that one-sixth of our production goes to exports; that 1 acre out of 6 is used for foreign customers. That is true. But also one-sixth of our consumption of agricultural products is consumption of imported products.

That is only half the story. We pay a subsidy to export our agricultural products. How much was that last year? It was $1.9 billion, or substantially 40 percent of the value of the exports.

Under the variable duties now in effect within the Common Market countries, the products of the American farmer face a tariff in the Common Market countries as of August 1, 1962, at least six times as high as the corresponding tariff on identical items imported from Common Market countries into the United States.

I believe that trade can be mutually advantageous. I believe that we can enter into agreements with foreign countries that will help people in this country and will help the foreign countries. But trade is a two-way street. Did Senators ever do business with someone who did not have enough sense to look out for his own interest, and then come away from the bargaining table knowing that the other person was a fool? How much respect does that leave one of the bargainers?

I say that the Common Market countries of Europe expect the United States to protect its own industries. They will respect us if we do. They realize that this legislation will help our dollar balances. They realize it will stop the drain of our gold. They realize that a strong economy here will maintain the value of the dollar. The members of the European Common Market, as well as the whole free world, have everything to gain by a strong America.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. CURTIS. I yield to the distinguished Senator from North Dakota.

Mr. YOUNG of North Dakota. A moment ago the able Senator said that we imported as much agricultural commodities as we exported. It is, in fact, true that we import more than we export. If it were not for our highly subsidized exports, we would be importing to a far greater extent than we are exporting.

Does the Senator know of any agricultural nation in the world which has a great surplus of agricultural commodities and permits sizable imports of that same commodity?

Mr. CURTIS. I do not. If a country did so, we could not respect them for it. The first step in securing peace among the nations of the world is to have them respect each other. Uncle Sam has surplus problems. He is spending billions of dollars to support agriculture. He then goes to the bargaining table and says, "We shall import more agricultural products. Who at that bargaining table would have faith in the stability of the United States under such a procedure?

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield further?

Mr. CURTIS. I yield.

Mr. YOUNG of North Dakota. I, like my good friend from Nebraska, believe that we must export if we wish to import. But the program has not been reciprocal, at least so far as agricultural commodities are concerned. Foreign countries have not been reducing their tariffs as we have been reducing them here. Furthermore, agriculture is one of the basic segments of our economy. About 40 percent of the entire purchasing power of the American economy is through agriculture. But agriculture does not have a representative on the Tariff Commission or anyone adjusting tariffs between foreign countries. So long as that is the case, I do not see how one representing a farm State could vote for a bill such as the one before the Senate now.

Mr. CURTIS. I agree with the Senator. Certainly not in its present form. One of its basic weaknessess would be cured by the adoption by the Senate, and the maintenance in the conference report, of the amendment now pending to restore the peril point procedure. That amendment would not rectify all the problems. However, it will continue to help. Its repeal will make the situation much worse.

Mr. President, lest I be misunderstood, let me say that I firmly believe that the European Common Market is a very desirable entity. It will lead to greater unity among the nations of Europe. It will elevate their economies and strengthen their political ties. It is a fortress against international communism, and our national policy should be to encourage and cooperate with the Common Market. The bill presented by the committee will not, in my opinion, be mutually advantageous to the United States and the Euorpean nations. Both need the other. Whatever weakens the United States weakens Europe.

What is the Common Market? The Common Market for Europe is carrying out the plan that was carried out by the Thirteen Original States when they formed the Union on this continent. At that time the Delegates to the Constitutional Convention abolished tariff and other trade barriers between the Thirteen States and all States to be added. But they did not end there. They built a tariff wall around the Union of States. Did it work? It built the greatest nation on earth.

Now, belatedly, Europe has created a Common Market. Their objective is gradually to eliminate all barriers between the countries making up the Common Market. But they do not end there. They have their trade barriers around their entire common territory. It will make them strong. It will lead to political unity. It will lead to an economic strength that will cause fear in the Kremlin. We should encourage them. We should cooperate with them. We should go to the conference table, not as saps thinking that we can buy our way out and that wise guys in government can close factories, create unemployment, and somehow it would do a great deal of overall good. We should go to the conference table with the European Common Market respecting them, protecting our own people, and, starting from that premise, work out trade arrangements that will help both nations.

I remind Senators that America has always encouraged imports. Forty-seven percent of our imports have no tariff. There is no tariff on coffee, bananas, and a long list of commodities. The South American countries impose an export fee on coffee. But we encourage free trade in it because, up until the admission of Hawaii, it was not competitive with any of the American States and it was to the advantage of all to encourage trade.

Mr. President, the bill, if enacted by the Congress in the form in which it is now, would add to the confusion, the lack of confidence, and the stalemate in the country.

Does any Senator know any businessman or anyone else who really believes the United States is on the move? They might so believe if Washington would close up shop for a few months. But tax philosophy, trade programs, and other important pronouncements emanating from the administration all end up in confusion, indecision, loss of prestige at home and abroad, and a weakening of our country. It is a defeatist attitude.

The philosophy of the bill is, "Oh, yes, jobs would be lost. But we would give the individual some unemployment compensation." Why can we not have a bill that would create jobs, so that America may grow and prosper, and we can end the terrific unemployment now existing in our country? The bill admits that we would add to the unemployment problem.

It ought not to be passed in its present form. One of the most important things to do is to adopt the so-called Bush amendment, to restore the peril point.

Mr. DIRKSEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CURTIS. Mr. President, I ask unanimous consent that the order for a quorum call be rescinded.

The PRESIDING OFFICER. Without objection it is so ordered.

Mr. CURTIS. Mr. President, I ask unanimous consent that there be included in the RECORD, as a part of my remarks, brief quotations from the hearings which were conducted by the Committee on Finance. These quotations are from testimony given by witnesses who favor the amendment now pending, to reinstate the peril-point provisions of existing law.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

Sidney Zagri, legislative counsel of the Teamsters Union: "The proposed bill is designed to scrap, to emasculate, both of these basic provisions of the peril-point procedure and the basic provisions of the escape-clause procedure.

"In the peril-point procedure the proposed bill no longer requires that the Tariff Commission make basic findings but simply requires that it advise the President with reference to the effect it may have on the overall industry, not the particular segment of the industry that may be involved.

"Secondly, under the peril-point procedure as it is proposed there must be a recommendation that the injury would be due to the sole impact of the concessions sought.

"Now, we propose to return to the original peril-point procedure which has served us in good stead, as recently as the recent GATT negotiations."

Homer Brinkley, executive vice president, National Council of Farm Cooperatives: "Any extension of the Trade Agreements Act should includes the following: (a) Retention of the peril-point principle, the determination of peril points to be made by the Tariff Commission, and their observance made mandatory upon the executive branches."

Robert A. Hornby, president, California State Chamber of Commerce: "Effective peril point and escape-clause mechanisms must be implemented when required. It seems evident that the peril-point concept in the bill needs considerable strengthening."

Douglas S. Steinberg, president, National Confectioners Association: "In 1962 President Kennedy has violated 62 peril points. He has approved the lowering of our import duties in 62 instances to levels below which the Tariff Commission has found reduction would cause or threaten serious injury to the domestic industry * * *. We urge the committee to retain the existing peril-point procedure except that we believe it should be strengthened so that the President will be required to abide by Tariff Commission peril-point findings and not permit him to disregard such findings by merely reporting his already accomplished violations of peril points to this committee and the Ways and Means Committee."

C. R. Morris, of the American Manufacturers of Barley Malt:

"THE INDUSTRY FAVORS THE RETENTION OF THE PERIL POINT

"H.R. 11970 provides for hearings before the Tariff Commission on any item upon which it is proposed to reduce duties. However, the bill does not in any way provide for the Commission's judgment as to what rate would safely protect an industry from serious injury nor for congressional review of any rate reduced by the President below that found by the Tariff Commission. In 1951 extension of the Trade Agreements Act, as amended, provides for this clear-cut action by the Commission and we have been the beneficiaries of this provision."

Carl A. Gerstacker, president, Synthetic Organic Chemical Manufacturers Association, representing 78 companies: "Accordingly, we urge that the provisions of section 3 of the Trade Agreement Extension Act of 1951, as amended, be reenacted in H.R. 11970 and section 221 be deleted."

Thomas H. Morris, on behalf of the National Association of Mirror Manufacturers: "Strengthen the peril-point provision of existing law. While the import duty on mirrors measuring more than 144 square inches has been reduced from 45 percent ad valorem to an average 20 percent ad valorem rate at the present time, the peril-point procedure has been of value in preventing duty reductions below this level.

"We have been able to convince the Tariff Commission that a reduction in the current rate of import duty on mirrors would cause serious injury to the domestic industry and even though the President has violated peril-point recommendations of the Tariff Commission in the case of some industries, such has not occurred in the case of the mirror industry."

Julian D. Conover, executive vice president, American Mining Congress: "Our economy requires that adequate supplies of metals and minerals be available at reasonable prices.

"Adequate import duties, properly applied, are necessary to maintain certain important segments of the domestic mining industry. Where duties are required as to any metal or mineral, we recommend that such duties be imposed or increased automatically when the price falls below a prescribed peril point and be removed or reduced when a prescribed price is reached or exceeded."

Walter A. Stilley, representing the hardwood plywood and veneer manufacturers, employing 35,000 workers, with an annual payroll of $125 million. The 1961 imports were 55 percent of the domestic sales. Mr. Stilley said: "We believe the Congressional proponents of the bill either were so deeply prejudiced in favor of the bill or were so misled or misinformed that they, in turn, misled the inquiring Congressmen.

"It is regrettable that there was not full understanding of the effects of this bill in the House.

"H.R. 11970 purports to provide a peril-point provision but this provision is wholly ineffective as it places no restraint whatsoever on the President making tariff concessions.

"Under the bill the President supplies the Tariff Commission with a list, for advice only. He may go ahead with tariff reductions after 6 months, regardless of a finding of injury by the Tariff Commission. The Tariff Commission is charged with rendering to the President advice of the economic effect of a tariff reduction.

There is no restraint on the President's action and not even provision for publication of a Commission report."

Tyre Taylor, general counsel, Southern States Industrial Council: "Inclusion in whatever legislation is adopted of adequate provisions for the protection of individual American industries from injury due to indiscriminate imports.

"These relief provisions should be precise, self-enforcing and should not be left to the discretion of the President or anyone except Congress."

Harold T. Toor, treasurer of the National Shoe Manufacturers Association; representing the New England Shoe & Leather Association; and the St. Louis Manufacturers Association, who stated that 16,000 American jobs were lost through 1961 shoe imports. He said: "We also recommend that the Tariff Commission should, under section 211 of the proposed bill, after holding hearings, be directed to report to the President in advance of negotiation the level of duty or import restriction on any article or articles below which domestic producers of such article would suffer serious injury from importation. The President should inform Congress where reductions are made in tariff duties or restrictions below such levels."

Hans Rie, president of the Hat Institute, who stated that the 1955 domestic production was 1 million dozen, and that the 1961 production was 672,000 dozen. He said: "Insert true peril point provisions to establish bench marks of probably injury for the administration to measure concessions proposed to other countries and to require the President to announce when he has exceeded these peril points."

James H. Casey, executive secretary, National Association of Glove Manufacturers, Inc. The year 1961 was the highest year of imports in the last 25 years. Italy, France, and Germany supply 75 percent of women's gloves on the domestic market. He said: "The peril point determination should be carefully spelled out and not presented as a recommendation, but as a positive finding, below which no consideration could be given. Much time, effort, and study is given to this work, and to permit any individual to alter it is granting him extraordinary power."

R. C. Cobourn, of the American Fine China Guild, Inc. The domestic production in 1950 was 860,000 dozen; in 1960, it was 450,000 dozen. The duties have been cut in two in the last 30 years. He said: "The weakening of peril point and escape clause provisions for the purpose of freeing the hands of program administrators to negotiate and bargain out of existence whole industrial enterprises is not in keeping with democratic processes."

George M. Parker, president, American Flint Glass Workers Union of North America, AFL–CIO; 19 of 44 plants were closed between 1950 and 1960; the number of employees in 1950 were 10,000; in 1961, there were 4,900. He said: "We do not believe the conscience of America should permit this problem to be swept under the rug by giving these men a little more "rocking chair money." What we want, and need, is full time employment and economy building jobs.

"In America we have a whole body of social legislation, financed in great measure by the employer, which is designed to assure American working people of a decent and ever-rising standard of living. The American economy is built upon this rock. We are now, and always should be, our own best customer.

* * * * *

"We are a specific industry condemned to ultimate extinction by the across-the-board tariff reductions made possible by H.R. 11970. Unless more effective and positive escape clause mechanisms are inserted in the legislation, unless the products of American craftsmen are given reasonable protection against low-wage imports, H.R. 11970 will ultimately destroy the industry which first nourished our Founding Fathers."

C. Frank Dale, sixth vice president, International Brotherhood of Operative Potters: "This bill comes as a shock to those of us who are familiar with the long line of promises and assurances given by President Roosevelt, Truman, and Eisenhower to the effect that the trade program was not to put industry out of business or cause serious injury.

"These promises were supported by various Secretaries of State who served from 1934 to 1960, beginning with Cordell Hull.

* * * * *

"Now, it is proposed to drop the peril point provision out of the law and to cut the heart out of the escape clause. This, I say, is a shocking proposal and should not prevail."

Burnham B. Holmes, appearing on behalf of the Rolled Zinc Manufacturers Association. Their most severe competition comes from Yugoslavia. He said:

"Secondly, we think it unwise to abandon the peril-point concept which, though

fraught with difficulties and far from perfect has been worked out by several Congresses and revised to more nearly fit the requirements.

"Third, we pray that only will you preserve the peril point, but you make such peril points binding on the executive branch.

* * * * *

"Let me try to support our position with a few direct quotations, and I quote: 'Sweeping changes in our foreign trade policies are not necessary'—I am quoting from a letter written to Gov. E. F. Hollings, August 31, 1960. Second: 'I supported the peril point and the escape clause, both of which are in the present Reciprocal Trade Act. I would not ask additional legislative action, however, on reciprocal trade.' This is from a TV broadcast, Portland, Maine, September 2, 1960. Thirdly: 'I believe we can protect our domestic industry within present laws, with Presidential leadership, with a knowledge of the problem, with effective workings between the President and the State Department and countries abroad, and with the provisions in present reciprocal trade laws if vigorously, effectively, and responsibly administered.' (Address, New York City, October 12, 1960.)

"Gentlemen, all of these quotations are, to my best belief, accurate and quotations of talks by John F. Kennedy made while campaigning for the Presidency of the United States."

Eugene Stewart, counsel, Man-Made Fiber Producers Association, Inc. Because of the adverse trade balance between 1954 and 1960, 305,000 jobs were lost. He said: "Why penalize the President? Why make him operate with economic blinders? We ask this committee to restore to the President the blueprint for action represented by the peril-point findings."

T. C. Keeling, Jr., vice president and general manager, Chemicals and Dyestuffs Division, Koppers Co., Inc. He stated that the bill would wipe out the chemical industry's favorable balance of trade presently existing. He said: "The bill offers no peril-point procedure requiring that products, which would be hurt by unfair import competition, not be subject to tariff negotiation. The peril-point procedure would help to prevent U.S. industry being irreparably damaged in those cases where it could be foreseen beforehand that tariff reductions would put them in jeopardy."

Winthrop K. Coolidge, president, Chicago Copper & Chemical Co. The labor cost of European competitors is one-third that of the U.S. labor cost. He said: "If the Reciprocal Trade Act must be renewed, we recommend that (a) the peril-point clause should be stiffened to prohibit the breaching of it. President Kennedy stated in his recent announcement of the results of the negotiations last year, that the negotiators had breached the peril point 60 or 70 times."

Clark L. Wilson, chairman, Emergency Lead-Zinc Committee: "4. Under the Trade Agreements Extension Act, negotiations for tariff reductions are preceded by peril-point hearings before the Tariff Commission to determine whether tariff reductions are warranted and to establish peril points as limits of tariff reductions. These peril points have been an important deterrent to unwarranted comprehensive rate reduction and should not be weakened as proposed in H.R. 11970.

"We wish to state again that our industry does not fail to recognize the importance of world trade, and it is not opposed to the general goals that the administration wishes to attain. It is, however, unequivocally opposed to the principle in the proposed legislation that would anticipate and accept the possibility of sacrifice of important natural resource industries in our Nation. We do not believe it is in the national interest for the brush to sweep so broadly."

Theodore E. Veltfort, managing director, Copper & Brass Research Association. The 1961 German wage rate of their competitor was 73 cents an hour. In the United States the wage rate is $2.60 an hour. He said: "H.R. 11970 would change all this. While H.R. 11970 provides for a Tariff Commission proceeding prior to negotiations for further reductions in our tariffs, the similarity to existing peril point proceedings stops there. Instead of finding a specific peril point, the Commisison would merely make a general inquiry 'as to the probable economic effect' of further tariff reductions.

"If a proceeding before the Tariff Commission prior to our negotiation of a trade agreement is to mean something, the vague and loose standards now found in H.R. 11970 should be changed to accord with the present law on peril point proceedings."

H. S. Potter, vice president of sales, Carpenter Steel Co., Reading, Pa., and chairman of the Tool and Fine Steel Industry Committee. He stated that the fine steel imported from Austria was 53 percent under the U.S. price. He said: "It is also to be emphasized that the bill retains only the facade of the peril-point provision of existing law. Briefly, the Tariff Commission may not find any specific level of duty below which injury would be likely to occur but may only 'advise' as to the 'economic' effect of reductions or eliminations. Consequently, the President need not report that any recommendation or finding was rejected, and the economic conclusions of the Commission would not permit Commission analysis only of the effect on overall industry operations of proposed reductions, a particular detriment to tool and fine steel."

C. W. McMillan, executive vice president, American National Cattlemen's Association: "We cannot agree with this view. Tariffs have been employed by nations for centuries to protect themselves from outside encroachments which are beyond their control—much in the same way, perhaps, as nations have used their armies to protect against invading physical forces.

"Economic forces within the Nation, we believe, should have free play to arrive competitively at the balances set by supply and demand, and these balances should not be allowed to be overturned by outside forces to the detriment of our industries.

"We believe that tariffs and other protective devices are essential to the progress of our economy in cases where an industry, because of products or services peculiar to our Nation's needs, cannot be expected to meet foreign competition."

Mr. DIRKSEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, on the Bush amendment, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the vote on the Bush amendment be taken at 2:15 p.m.

The PRESIDING OFFICER. Is there objection?

Mr. MANSFIELD. Mr. President, I withdraw my request.

The PRESIDING OFFICER. The request is withdrawn.

HOUSING FOR THE ELDERLY

Mr. SPARKMAN. Mr. President, I ask unanimous consent that the unfinished business be temporarily laid aside and that the Senate proceed to the consideration of Calendar No. 2015, H.R. 12628.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 12628) to provide additional funds under section 202(a)(4) of the Housing Act of 1959, and to amend title V of the Housing Act of 1949, in order to provide low- and moderate-cost housing, both urban and renewal, for the elderly.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. SPARKMAN. Mr. President, the bill was passed by the House on a yea-and-nay vote with only six votes in opposition.

The bill was then considered by the Senate Committee on Banking and Currency and was reported without a dissenting vote.

The bill provides an additional authorization of $100 million for housing for elderly persons under section 202 of the Housing Act. Also it provides for housing for the elderly under the farm housing program in an amount of $50 million for homeownership and $50 million in the direct loan program. This simply means provision of additional authorization for housing for the elderly in urban areas and brings into the housing program elderly persons in rural areas.

Since Congress first enacted a program of housing for the elderly, it has proved to be one of the best and most popular programs. I believe that the almost unanimous support which the bill received on a yea-and-nay vote in the House is an eloquent testimonial to its demand, to its need, and to the recommendation which the Members of the House, who come from all sections of the country, gave it.

SENATOR CARROLL SUPPORTS INCREASED DIRECT LOAN SENIOR CITIZENS HOUSING PROGRAM

Mr. CARROLL subsequently said: Mr. President, the Nation's population of senior citizens 62 and over now number about 21 million and by 1980, less than 18 short years away, will mount to a grand total of around 30 million. Over the years, our elderly citizens—our parents, dear relatives, and friends—have contributed to the development and emergence of the United States of America as the leading nation in the world. As they enter the golden years of life they are our reservoir of knowledge and experience which are both invaluable and irreplaceable. We owe it to all of them to help assure that these later years are enjoyed with dignity, privacy, and independence. Further, we need their active and interested support in community affairs, participating in all of our activities and helping to shape our country's future as in the past.

The increase in the authorization for direct loans which we enacted today will be of great help to our senior citizens. Housing for our elderly provides the

base from which they can continue as contributing members of society and this legislation, providing for an additional authorization for the senior citizens housing program will finance the construction of about 10,000 additional housing units. Although these would only add a small percentage of the vast number of the homes needed by our older people—recently estimated at 5 million units by the Subcommittee on Housing for the Elderly—the program would permit sponsors to plan ahead in the knowledge that the Congress is prepared to assist in the development of these projects.

In 1960, 158,000 residents or 9 percent of my State's population were 65 years of age or over. Their numbers had increased by 36.8 percent during the previous 10 years or a little faster than the national average of 34.7 percent. The increase in the number of elderly 65 and over in the past decade was exceeded only by the increase in the number of children between 5 and 14, and in sharp contrast, the total population of the Nation increased by but 18½ percent. This rapid buildup of the number of older people poses a real social challenge to all of us and the manner in which we seek to assure their prime requirements in life will be a major determinant of how the rest of the world evaluates our image as a civilized society.

We, in Colorado, can take great pride in the activity and interest in the housing programs for senior citizens. We have, or will have, projects which receive Federal assistance under each of the existing programs including public housing, the FHA mortgage insurance program, and the direct loan program. This widespread interest and activity in these special programs for senior citizens housing is a real credit to the leadership of President Kennedy and to the Administrator of the Housing and Home Finance Agency, Robert C. Weaver, and his Office of Housing for Senior Citizens, who have been focusing their attention on the housing needs of our elderly—needs which have been neglected all too long.

The direct loan program is certain to have a strong impact on the development of housing for our seniors in Colorado. I am pleased to note that as of June 30, 1962, 5 applications for a total of 377 units were in process under this program. These projects would provide a wide choice of good housing for our elderly residents of Arvada, Colorado Springs, Denver, Grand Junction, and Pueblo.

Thus, it is evident that these programs are fulfilling a real need.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill was ordered to a third reading and was read the third time.

Mr. BUSH. Mr. President, I desire to support the recommendation of the Senator from Alabama that the bill be passed. I know of no opposition to it on this side of the aisle. I do not believe there was any opposition to the bill in the Committee on Banking and Currency. So I join with the Senator from Alabama in recommending the passage of the bill.

Mr. SPARKMAN. I thank the Senator from Connecticut.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (H.R. 12628) was passed.

Mr. SPARKMAN. Mr. President, I move that the Senate reconsider the vote by which the bill was passed.

Mr. BUSH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BURDICK in the chair). Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the vote on the Bush amendments be held at 2:15 p.m. today.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call may be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRODUCTION AND DISTRIBUTION OF EDUCATIONAL AND TRAINING FILMS FOR THE DEAF

Mr. PELL. Mr. President, I ask the Presiding Officer to lay before the Senate the amendment of the House of Representatives to S. 2511.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 2511) to provide for the production and distribution of educational and training films for use by deaf persons, and for other purposes, which was, on page 2, strike out line 24 over through and including line 2 on page 3, and insert:

(c) Section 4 of such Act is amended by striking out "$250,000" and inserting in lieu thereof "$1,500,000".

Mr. PELL. Mr. President, in paragraph (4) of section 1(b) of S. 2511 it is intended that the word training should be broadly interpreted so that the Secretary of the Department of Health, Education, and Welfare would be authorized to produce and to distribute educational films for the education of the deaf as well as films which might be regarded as training films for particular jobs.

This question was raised on the floor of the House, and as chairman of the subcommittee which held hearings on this legislation, I should like to bring it out as a matter of legislative intent during the Senate consideration of this bill.

I move that the Senate concur in the House amendment.

The PRESIDING OFFICER. The question is on the motion of the Senator from Rhode Island.

The motion was agreed to.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for a quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRACTICES IN CONNECTION WITH PLACING OF MINOR CHILDREN FOR PERMANENT FREE CARE OR FOR ADOPTION

Mr. KEFAUVER. Mr. President, the Senate may well congratulate itself upon the vision and wisdom reflected by its approval on yesterday of the bill (S. 654) to make unlawful certain practices in connection with the placing of minor children for permanent free care or for adoption.

It is to be hoped that the House will now follow our example, for there is a great need to curb the nefarious interstate trafficking in babies that has been shown beyond dispute to exist in our Nation.

The bill will close one of the biggest holes in our present crazy-quilt system of adoption laws, which permit unscrupulous "baby brokers" to operate, encourage irresponsible placements even where no profit motive exists, and wreck untold numbers of lives.

If there is any field in which State laws should be uniform—and uniformly strong—this is it. Conscientious child-welfare workers are the first to admit that the adoption law of one State, no matter how strong, is handicapped by the absence of equally strong laws in other States.

Organizations are working for the establishment of a nationwide Uniform Motor Vehicle Code. Congress has passed laws such as the Dyer Act and the Mann Act to control interstate automobile theft and white slavery.

All of this is commendable. Yet, we have not seen to it that our children are accorded the same consideration, the same protection, as a used car or a mature woman.

With Senate passage of S. 654, however, we are on the way toward this goal. One section would outlaw interstate baby selling. That is, it would become a Federal felony to ask for or receive compensation to place or arrange to place a child for adoption across State lines.

Another section would make it a felony to induce or arrange for a parent or prospective parent to cross State lines in

order to make a compensated child placement.

These prohibitions would not apply to the reimbursement of reasonable expenses of a licensed public or private child-care or adoption agency in a State in arranging an interstate placement. Nor would they apply to the interstate transportation of a natural mother by such agency or by a licensed or authorized maternity home in connection with a child placement.

In addition, the natural parents as well as the adoptive parents would be excepted from the criminal sanctions imposed in the bill. After all, these people are usually the victims and not the movers of the interstate trafficking in babies and children against which this bill is aimed.

The bill also would not affect those receiving fees solely for bona fide legal services in obtaining an adoption decree, or for bona fide medical services rendered the mother and child.

S. 654, in which the Senator from Connecticut [Mr. DODD], the Senator from Colorado [Mr. CARROLL], and I have joined as sponsors, is the outgrowth of an extended investigation which was begun by the Senate Judiciary Subcommittee To Investigate Juvenile Delinquency a few years ago when I was privileged to be chairman.

We held hearings in Miami, Chicago, and Washington. We heard nearly 100 witnesses, many of whom were engaged in the interstate baby racket themselves.

The subcommittee staff also interviewed more than 2,000 persons in all sections of the country. Half of them were natural or adoptive parents who had dealt with "baby brokers."

The facts which we turned up established the existence of a large-scale interstate black market in child placements. An estimated $15 million or more was changing hands each year. The amount received per child ranged from $1,000 to $5,000. The traffic, we learned, was nationwide.

Even the underworld had invaded the field. Known racketeers were soliciting unmarried mothers in an effort to secure their children for the baby black market.

More than 70 percent of the States have laws regulating the admission of children for adoption and care. But even in those States where baby selling is outlawed, law enforcers told our subcommittee of their inability to control the intrastate traffic because of the large interstate traffic.

S. 654 does not remove from the States their basic responsibility for dealing with adoption matters. Rather, it is directed at interstate situations which are beyond the reach and control of the States—mainly those in which the bartering of children is involved.

It may be true generally, as it seems to be true in some States, that the supply of children available for adoption is growing in proportion to the available number of adoptive parents.

This could be only a temporary condition. In any case, we ought to make it impossible—or at least, very risky—for even one "baby broker" to operate across State lines.

S. 654 will encourage prospective adoptive parents to adopt children more readily from authorized or licensed agencies and discourage them from dealing with those who are just out to make a fast buck.

It will take time to educate more of the public to look to such agencies in adoption matters. But the result will be a happier one—greater protection for the child, the natural parents, and the adoptive parents.

TOWNSITE LAWS APPLICABLE IN STATE OF ALASKA

Mr. BIBLE. Mr. President, I ask unanimous consent that the Senate reconsider its vote of yesterday by which S. 3160, the Alaska townsite bill, was passed.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. BIBLE. Mr. President, the Committee on Interior and Insular Affairs has before it an almost identical companion bill, H.R. 11266. I ask unanimous consent that the Committee on Interior and Insular Affairs be discharged from the further consideration of H.R. 11266 and that the Senate proceed to the consideration of the House bill.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 11266) to amend the act of March 8, 1922, as amended, to extend its provisions to the townsite laws applicable in the State of Alaska.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Nevada?

There being no objection, the Senate proceeded to consider the bill.

Mr. BIBLE. Mr. President, I move that the language of S. 3160 as passed by the Senate yesterday be substituted for the language of the House bill.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Nevada.

The motion was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill (H.R. 11266) was read the third time and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3 of the Act of March 8, 1922 (42 Stat. 415), as amended (75 Stat. 384; 48 U.S.C. 376, 377, 377a), is further amended to read as follows:

"SEC. 3. The Secretary of the Interior may (a) sell under the provisions of section 2455 of the Revised Statutes (43 U.S.C. 1171), as amended, or (b) make disposition under the following townsite laws, as amended: Sections 2380 and 2381 of the Revised Statutes (43 U.S.C. 711, 712); section 11 of the Act of March 3, 1891 (26 Stat. 1009; 48 U.S.C. 355); Act of May 25, 1926 (44 Stat. 629; 48 U.S.C. 355a–355d); and Act of March 12, 1914 (38 Stat. 305; 48 U.S.C. 301, 302, 303–308), of any lands in Alaska known to contain workable coal, oil or gas deposits, or that may be valuable for the coal, oil or gas contained therein, and which are otherwise subject to sale or disposition under said section 2455, as amended, or the said townsite laws, as amended, upon the condition that the patent issued to the purchaser thereof shall contain the reservation required by section 2 of this Act."

The PRESIDING OFFICER. Without objection, Senate bill 3160 is indefinitely postponed.

EXTENSION OF TARIFF NEGOTIATING AUTHORITY TO AMERICAN AGRICULTURE

Mr. CARLSON. Mr. President, the American Farm Bureau Federation, representing 1,600,000 farm and ranch families in 49 States and Puerto Rico, has been actively interested in an expanded trade program and has been most helpful in drafting proposed legislation, because the organization is thoroughly familiar with the subject.

U.S. farmers have a vital stake in expanding foreign trade. Last year we exported the production for more than 60 million acres of cropland. Wheat, cotton, tobacco, soybeans, rice, tallow, and poultry are some of the products which U.S. farmers exported in substantial volume. Nevertheless, all farmers, whether they produce primarily for export or for the domestic market, have an interest in maintaining and expanding farm exports.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a letter dated September 18, 1962, which I have received from Charles B. Shuman, president of the American Farm Bureau Federation.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AMERICAN FARM BUREAU FEDERATION,
Washington, D.C., September 18, 1962.

Hon. FRANK CARLSON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CARLSON: Farm Bureau, representing 1,600,000 farm and ranch families in 49 States and Puerto Rico, believes that the tariff negotiating authority contained in H.R. 11970, the Trade Expansion Act, is essential to American agriculture.

The House of Representatives and the Senate Finance Committee have improved this bill in several respects. Of special significance is a major amendment recommended by Farm Bureau and included in the bill as section 252. This provision directs the President to insist that other countries grant truly reciprocal concessions in return for U.S. concessions. For example, the European Economic Community is presently threatening to impose so-called variable import fees on wheat, feed grains, rice, poultry, and fruits. Such fees could drastically restrict U.S. exports of these commodities which last year amounted to over $400 million.

The substantial tariff bargaining authority contained in this bill, together with this firm directive from the Congress, could create an economic climate wherein expanded markets for the products of U.S. agriculture and industry could be achieved. A committee amendment making the special representative for trade negotiations the Chairman of the Interagency Trade Council also is a significant improvement in the bill.

In addition, Farm Bureau recommended, and the bill presently contains important amendments in regard to the escape clause provisions. These amendments provide direct access to the Tariff Commission by any industry which is being theratened by increased imports; they are intended to assure such industry public hearings and prompt consideration based on the facts in each instance.

We believe that the proper and vigorous implementation of these provisions can make a far greater contribution toward the sound administration of the foreign trade program than would the so-called adjustment assistance in the form of direct Federal aid. Therefore, Farm Bureau recommends that the bill be further amended by deleting the adjustment assistance provisions.

Farm Bureau policy over the years has recognized the need for a sound U.S. foreign trade policy—a policy based on expanded, mutually advantageous trade.

Expanded markets, expanded sources of supply, expanded opportunity can be the basis for a vital, growing U.S. economy and increased economic strength throughout the free world. Also, we sincerely believe that expanded U.S. agricultural exports can make a major contribution toward the solution of our balance-of-payments problem.

U.S. farmers have a vital stake in expanding foreign trade. Last year we exported the production from over 60 million acres of cropland. Wheat, cotton, tobacco, soybeans, rice, tallow, and poultry are some of the products which U.S. farmers exported in substantial volume. But all farmers, whether they produce primarily for export or for the domestic market, have an interest in maintaining and expanding farm exports. If world markets are decreased or lost, the land and other resources which have been used to produce for these markets will be utilized in the production of commodities for the domestic market, which in many cases is already oversupplied. This would decrease all farm prices and reduce the net incomes of all farmers.

Imports—as well as exports—are important to farmers. They can help alleviate the serious cost-price squeeze which farmers presently are undergoing.

With the deletion of the adjustment assistance provisions as recommended above, we believe the adoption of this legislation will make possible expanded mutually advantageous world trade in the best interests of the U.S. economy and, indeed, of the whole free world.

Sincerely yours,

CHARLES B. SHUMAN,
President.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to consider executive business.

ATOMIC ENERGY COMMISSION

Mr. PASTORE. Mr. President, from the Joint Committee on Atomic Energy I report favorably the following nominations:

Glenn T. Seaborg, of California, to be the representative of the United States of America to the sixth session of the General Conference of the International Atomic Energy Agency.

Henry DeWolf Smyth, of New Jersey; Robert E. Wilson, of Illinois; James T. Ramey, of Illinois; and William I. Cargo, of Florida, as alternate representatives.

The sixth session of the General Conference of the International Atomic Energy Agency is commencing today in Vienna, Austria, and I therefore ask unanimous consent that these nominations be considered en bloc at this time.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the nominations are confirmed en bloc.

Mr. PASTORE. Mr. President, I ask that the President be immediately notified of the confirmation of the nominations.

The PRESIDING OFFICER. The President will be immediately notified.

LEGISLATIVE SESSION

Mr. PASTORE. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

TRADE EXPANSION ACT OF 1962

The Senate resumed the consideration of the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes.

Mr. PASTORE. Mr. President, I hold in my hand an analysis made by the New England Council, dated August 1962. The analysis has reference to amendments proposed by the Senator from Connecticut [Mr. BUSH], on behalf of himself and other Senators, to the Foreign Trade Expansion Act of 1962, House bill 11970.

The first paragraph of the analysis reads as follows:

If the so-called Bush amendments to H.R. 11970 should be incorporated in the new Trade Expansion Act of 1962, this country would have on its books the most restrictive trade legislation since the first Trade Agreements Act of 1934 became law. This is the conclusion reached by the New England Council following a detailed analysis of the proposed measures.

Mr. President, I ask unanimous consent that the entire analysis be printed at this point in the RECORD.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

NEW ENGLAND COUNCIL ANALYSIS—AUGUST 1962

If the so-called Bush amendments to H.R. 11970 should be incorporated in the new Trade Expansion Act of 1962, this country would have on its books the most restrictive trade legislation since the first Trade Agreements Act of 1934 became law. This is the conclusion reached by the New England Council following a detailed analysis of the proposed measures.

Such legislation would deny the reality of changed foreign trade policy requirements; it would prevent trade expansion, and particularly maintneance of U.S. export levels to Europe, not to speak of an expansion of exports. It would deny to our society, and particularly to New England, the benefits of international competition which are the same as those stemming from domestic competition: low-cost production and economic growth. The adjustment philosophy of the proposed legislation as passed by the House and supported by the New England Council would be replaced by a rigid philosophy of no adjustment to international competition.

These are only the domestic economic considerations. The damage that would be caused by this set of amendments to the U.S. foreign policy would be even more far reaching. Action based upon such legislation would likely lead to a split of the Western Alliance into two blocs.

The council has adopted the principles incorporated in H.R. 11970 as its policy—a position reached after careful study and debate. It was adopted unanimously by the directors of the council.

The following are some of the more striking features of the Bush amendments to which the council taeks exception:

1. Elimination of tariffs of 5 percent or less is to be stricken from the bill. The majority of the goods belonging to this category are complementary to domestic production rather than competitive, and tariff elimination on such goods is primarily of benefit to the domestic industrial and individual consumer. By maintaining such tariffs we hurt only ourselves through higher costs and prices. A principal New England example is residual oil—an imported product that fills the gap created by diminishing domestic production. New England has already been hard hit by high fuel costs as a result of Government action, and the amendments would prevent the elimination of the 5 percent tariff of residual oil, thus maintaining artificially high costs to consumers.

2. The amendments restrict those goods on which tariffs could be reduced to zero in negotiations with the Common Market. They would, in effect, render the so-called 80-percent authority meaningless for the following reasons:

(a) The administration bill calls for authority to eliminate, step by step, all tariffs on goods for which the total share in world trade of the Common Market and the United States combined equals at least 80 percent. The Bush amendments would add to this requirement the following condition: 25 percent of such trade must be accounted for by the United States. Such a limitation would lead to an identical one by the Common Market. The Common Market and the United States would then, in effect, have to account for at least 25 percent each of the trade coming under the 80 percent provision. Goods on which U.S. exports accounted for more than 75 percent of the total trade would have to be left out of the free list—precisely those goods most likely to benefit from tariff reductions in Europe. Such a restriction would reduce the free list substantially.

(b) One amendment would exclude from the 80 percent category those goods that become part of the list as a result of U.S. foreign aid payments. An artificial distinction between commercial trade and trade based on aid is implied. Both types create export opportunities and income for domestic

firms and individuals and lead to expansion of trade.

(c) Under the amendments competitive goods could be eliminated from the negotiable list by factfinding of the Tariff Commission. The bulk of trade between the Common Market and the United States is in manufactured goods that are directly competitive with each other; e.g., automobiles and airplanes. The United States could, perhaps, hope for reductions of tariffs on New England machinery but would have nothing to offer in return.

(d) The amendments require cancellation of zero tariff concessions as soon as the original conditions for the special authority are no longer applicable. Such a reversal would add to the already existing uncertainties of escape-clause legislation. A constant up and down tariff adjustment process would follow instead of a gradual lowering of all tariff restrictions.

3. According to the amendments, article-by-article reciprocity would be made a condition of U.S. tariff concessions. Such a requirement would tie the hands of any negotiator who must try to get the best possible bargain for our principal export articles. Almost by definition these are not the same as those on which our trading partners would like to obtain concessions. Reciprocity, if it is to be meaningful, must be accomplished on the basis of the combined value of all concessions made by each side in an agreement. A substantial portion of international trade is based upon an exchange of one product for a different one—a textile machine for textile products—an automobile for an airplane.

4. The amendments propose to increase the power of the Tariff Commission and to tighten the laws under which it is to operate. This set of amendments presents, perhaps, the most serious danger to domestic industries.

(a) By increasing the power of the Tariff Commission, the negotiating authority of the President will be limited. Such a procedure alone would, in effect, limit the extent of tariff concessions that could be offered to our trading partners in return for concessions of equal value. It would reduce flexibility by reducing a negotiator's room for maneuver.

(b) The amendments introduced to define serious injury incorporate the market-sharing principle and indeed go beyond this requirement by defining injury in terms of a reduction of traditional growth rates. Injury could be found by the Tariff Commission if the share of a domestic product has declined, or if the rate of growth of a domestic product has slowed down. Moreover, according to the amendments such developments do not have to be traced exclusively to proposed or actual tariff reductions. In addition, such findings could be made for groups of products rather than for industries.

Such a control and subsidy program restricting free international enterprise must be considered the first step toward Government control of domestic markets. Such a policy would not only damage our international position as advocate of the free enterprise system, but also our ability to expand or even maintain exports for American industries, especially industries in New England. Expansion of exports or maintenance of exports in the face of current world trade developments, particularly in Europe, require real concessions on our part in return for those of others. The restrictions proposed by this set of amendments are so severe as to eliminate the availability of any meaningful U.S. concessions with which to bargain.

5. The changes proposed for the adjustment assistance provisions of the bill would become mere theory, once all the proposed tariff safeguard amendments are adopted. In practice, domestic industries would become immune to foreign competition. Logically, perhaps, special assistance programs should then be set up to aid those U.S. export firms, industries, and employees who would suffer under retaliatory restrictions from abroad or from a progress toward an outer Common Market wall, and to those who could not maintain their normal rate of growth because of reduced export markets.

These are only the more obvious points to which we take exception. Although there may be merit in a few minor amendments, for example those requiring an expanded program of publication, the bulk is in direct opposition to our foreign trade policy position. In view of the preponderance of export competitive industries over import competitive industries in New England, and in particular in Massachusetts, adoption of any substantive portion of these amendments would cause incalculable injury to New England's economic development.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the last 4 minutes preceding 2:15 be allotted as follows: 2 minutes to the Senator from Connecticut [Mr. BUSH], and 2 minutes to the Senator from Montana.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

ESTABLISHMENT OF PADRE ISLAND NATIONAL SEASHORE

Mr. BIBLE. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 4, to establish the Padre Island National Seashore.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 4) to provide for the establishment of the Padre Island National Seashore, which was, to strike out all after the enacting clause and insert:

That in order to save and preserve, for purposes of public recreation, benefit, and inspiration, a portion of the diminishing seashore of the United States that remains undeveloped, the Secretary of the Interior shall take appropriate action in the public interest toward the establishment of the following described lands and waters as the Padre Island National Seashore: Beginning at a point one statute mile northerly of North Bird Island on the easterly line of the Intracoastal Waterway; thence due east to a point on Padre Island one statute mile west of the mean high water line of the Gulf of Mexico; thence southwesterly paralleling the said mean high water line of the Gulf of Mexico a distance of about three and five-tenths statute miles; thence due east to the two-fathom line on the east side of Padre Island as depicted on United States Coast and Geodetic Survey chart numbered 1286; thence along the said two-fathom line on the east side of Padre Island as depicted on United States Coast and Goedetic Survey charts numbered 1286, 1287, and 1288 to the Willacy-Cameron County line extended; thence westerly along said county line to a point 1,500 feet west of the mean high water line of the Gulf of Mexico as that line was determined by the survey of J. S. Boyles and is depicted on sections 9 and 10 of the map entitled "Survey of Padre Island made for the office of the Attorney General of the State of Texas," dated August 7 to 11, 1941, and August 11, 13, and 14, 1941, respectively; thence northerly along a line parallel to said survey line of J. S. Boyles and distant therefrom 1,500 feet west to a point on the centerline of the Port Mansfield Channel; thence westerly along said centerline to a point three statute miles west of the said two-fathom line; thence northerly parallel with said two-fathom line to 27 degrees 20 minutes north latitude; thence westerly along said latitude to the easterly line of the Intracoastal Waterway; thence northerly following the easterly line of the Intracoastal Waterway as indicated by channel markers in the Laguna Madre to the point of beginning.

SEC. 2. (a) The Secretary of the Interior (hereinafter referred to as the "Secretary") is authorized to acquire by donation, purchase with donated or appropriated funds, condemnation, transfer from any Federal agency, exchange, or otherwise, the land, waters, and other property, and improvements thereon and any interest therein, within the areas described in the first section of this Act or which lie within the boundaries of the seashore as established under section 3 of this Act (hereinafter referred to as "such area"). Any property, or interest therein, owned by the State of Texas or political subdivision thereof may be acquired only with the concurrence of such owner. Notwithstanding any other provision of law, any Federal property located within such area may, with the concurrence of the agency having custody thereof, be transferred without consideration to the administrative jurisdiction of the Secretary for use by him in carrying out the provisions of this Act.

(b) The Secretary is authorized to pay for any acquisitions which he makes by purchase under this Act their fair market value, as determined by the Secretary, who may in his discretion base his determination on an independent appraisal obtained by him.

(c) In exercising his authority to acquire property by exchange, the Secretary may accept title to any non-Federal property located within such area and convey to the grantor of such property any federally owned property under the jurisdiction of the Secretary within such area. The properties so exchanged shall be approximately equal in fair market value: *Provided*, That the Secretary may accept cash from or pay cash to the grantor in such an exchange in order to equalize the values of the properties exchanged.

SEC. 3. (a) As soon as practicable after the date of enactment of this Act and following the acquisition by the Secretary of an acreage in the area described in section 1 of this Act, that is in the opinion of the Secretary efficiently administrable to carry out the purposes of this Act, the Secretary shall establish the area as a national seashore by the publication of notice thereof in the Federal Register.

(b) Such notice referred to in subsection (a) of this section shall contain a detailed description of the boundaries of the seashore which shall encompass an area as nearly as practicable identical to the area described in section 1 of this Act. The Secretary shall forthwith after the date of publication of such notice in the Federal Register (1) send a copy of such notice, together with a map showing such boundaries, by registered or certified mail to the Governor of the State and to the governing body of each of the political subdivisions involved; (2) cause a copy of such notice and map to be published in one or more newspapers which circulate in each of the localities; and (3) cause a certified copy of such notice, a copy of such map, and a copy of this Act to be recorded at the registry of deeds for the county involved.

SEC. 4. (a) When acquiring land, waters, or interests therein, the Secretary shall permit a reservation by the grantor of all or any part of the oil and gas minerals in such land or waters and of other minerals therein which can be removed by similar means

with the right of occupation and use of so much of the surface of the land or waters as may be required for all purposes reasonably incident to the mining or removal of such from beneath the surface of these lands and waters and the lands and waters adjacent thereto, under such regulations as may be prescribed by the Secretary with respect to such mining or removal.

(b) Any acquisition hereunder shall exclude and shall not diminish any right of occupation or use of the surface under grants, leases, or easements existing on April 11, 1961, which are reasonably necessary for the exploration, development, production, storing, processing, or transporting of oil and gas minerals that are removed from outside the boundaries of the national seashore and the Secretary may grant additional rights of occupation or use of the surface for the purposes aforesaid upon the terms and under such regulations as may be prescribed by him.

SEC. 5. Except as otherwise provided in this Act, the property acquired by the Secretary under this Act shall be administered by the Secretary, subject to the provisions of the Act entitled "An Act to establish a National Park Service and for other purposes", approved August 25, 1916 (39 Stat. 535), as amended and supplemented, and in accordance with other laws of general application relating to the areas administered and supervised by the Secretary through the National Park Service; except that authority otherwise available to the Secretary for the conservation and management of natural resources may be utilized to the extent he finds such authority will further the purposes of this Act.

SEC. 6. The Secretary may provide for roadways from the north and south boundaries of such public recreation area to the access highways from the mainland to Padre Island.

SEC. 7. The Secretary of the Interior shall enter into such administrative agreements with the Secretary of the Navy as the Secretary of the Navy may deem necessary to assure that the Secretary of the Interior will not exercise any authority granted by this Act so as to interfere with the use by the Department of the Navy of any aerial gunnery or bombing range located in the vicinity of Padre Island.

SEC. 8. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act; except that no more than $5,000,000 shall be appriated for the acquisition of land and waters and improvements thereon, and interests therein, and incidental costs relating thereto, in accordance with the provisions of this Act.

Mr. BIBLE. Mr. President, on April 10 of this year, the Senate passed S. 4 with a group of committee amendments, after very careful consideration. The bill with an amendment was passed on September 13 by the House of Representatives.

The sponsors of this measure find the House amendment acceptable, and ask that the Senate concur in it.

I have conferred with the members of the committee on both sides of the aisle, and they are in agreement as to this proposed action.

I ask unanimous consent to have printed in the RECORD a statement of the changes made by the House amendment.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

The principal changes in S. 4 made by the House amendment are as follows:

1. Reduces the total mileage of the island to be taken for the seashore area from 88.5 miles to approximately 80.5 miles.

2. Moves the boundary between the Willacy-Cameron County line and Mansfield Cut to a point approximately 1,500 feet west of the Boyles line, excluding Laguna Madre and adjacent wastelands.

3. Increases the appropriation for acquisition from $4 million to $5 million.

4. Eliminates a provision to permit granting life estates to residents whose properties are to be acquired as unnecessary following the revisions in the boundary.

Mr. BIBLE. Mr. President, I now move that the Senate concur in the House amendment to Senate bill 4, so that the bill may be cleared for transmission to the President.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Nevada.

The motion was agreed to.

Mr. BIBLE. Mr. President, this is the third of three national seashore bills recently before the Congress. The first was the bill establishing the Cape Cod National Seashore. It was passed last year.

The second was the bill establishing the Point Reyes National Seashore. It is located in California, just north of San Francisco. That bill has received final action by the Congress, and recently has been signed into law by the President.

Senate bill 4, providing for the establishment of the Padre Island National Seashore, is the third one. This is a very attractive seashore area on the Gulf of Mexico, lying between Corpus Christi and Brownsville, Tex. It is an area in which the senior Senator from Texas [Mr. YARBOROUGH] has had a great deal of interest, and he has been a moving force in connection with this measure. He is to be greatly commended for his vigor and perseverance in seeing to it that this national seashore bill is enacted into law. I wish to commend him greatly; he has been very helpful. I think the House amendment is an improvement over the Senate bill. I have no hesitancy in recommending that the Senate adopt the House amendment.

I yield now to the Senator from Texas.

Mr. YARBOROUGH. Mr. President, I thank the senior Senator from Nevada for his able chairmanship of the Public Lands Subcommittee, for the hearings he held, and for the diligence and patience he devoted to the bill. The bill had strong opposition at first. The Senate committee held four hearings on the bill in 1950, 1960, and 1961, and as a result of the four hearings, with the facts and enlightenment from the facts being brought to the people of that area, most of the opposition faded away.

The bill now provides for a recreational area of 80½ miles on the Gulf of Mexico. I regret it was not the full 88 miles, but it provides the longest national seashore area in the country.

I introduced the first bill to create a national seashore recreational area on Padre Island in the 85th Congress in June 1958. This was followed by Senate bill 4, introduced by me in January 1959, in the 86th Congress, and by Senate bill 4, reintroduced by me in this 87th Congress in January 1961.

No national park legislation has had more careful study than my Padre Island bill. Four Senate hearings have been held on this legislation, in 1959, 1960, and 1961, in Corpus Christi, Tex., and Washington. Volumes of testimony have accumulated. Members of the Senate and House have flown over the island and visited it and explored it on the ground. In July of 1961, Vice President JOHNSON, Secretary of Interior Udall, and a delegation of us from the Congress flew over Padre Island, went to it on the ground; were consuming participants in a fish fry. On that trip the delegation from Washington viewed the wondrous beach of Padre Island, and feasted on the delectable products of its oceans.

The Republican administration under President Eisenhower and Democratic administration of President Kennedy both have recommended the creation of a National Padre Island Seashore Recreation Area. Secretary of the Interior Udall has helped advance the bill to this point and is for passage. His aid has been over and beyond the call of duty.

At first there was widespread opposition to the bill, due largely to a misapprehension as to what a national seashore recreation area really was. Successive hearings in several Congresses have proven the merits of this legislation to the Congress and to the country, and the opposition has faded away in the face of facts.

The House approved it with some reduction of mileage and acreage and ultimate cost on Thursday, September 13, after careful and detailed committee hearings. These changes are acceptable to me at this time as author of the bill. I think it vital that the bill be enacted at this session, before land values increase any more. Secretary Udall has assured me the bill is acceptable to the administration.

Great credit is due Congressman J. T. RUTHERFORD, of Odessa, Tex., chairman of the Public Parks Subcommittee of the House. Without the aid of both Secretary of the Interior Udall and Congressman J. T. RUTHERFORD, in my opinion the bill would not have passed the House. In its final form it had the active support of Congressman JOE KILGORE and JOHN YOUNG, in whose Districts the park lies.

Particular thanks are due the distinguished chairman of the Interior and Insular Affairs Committee, the Senator from New Mexico [Mr. ANDERSON] and the able chairman of the Public Lands Subcommittee, the senior Senator from Nevada, Senator ALAN BIBLE. Their persistence and patience were a great aid to the final passage of this measure. They were cooperative in holding hearing after hearing, until objections to the measure could be negatived, withdrawn, or reduced to minimal grounds.

Senator Moss, of Utah, presided ably and well at a very efficient hearing on this measure at Corpus Christi, Tex., in December 1959, at the conclusion of which National Parks Director Conrad Wirth, an early and able exponent of the Padre Island Park project, said:

The evidence in favor of this park is the most overwhelming I have ever heard in any National Park hearing.

Texas wants this bill. In fact, Texas will have a final voice since approval of the Texas Legislature is necessary to putting it into effect.

Padre Island is a narrow, 118-mile-long barrier reef island extending along the Texas gulf coast, about 3 miles off the mainland, from Corpus Christi southward to Port Island. It has a rough quarter-moon shape, with parts of the island sweeping inward closer to the mainland than either tip. Somewhat broader in the north than in the south, Padre Island varies in width from about 3 miles to a few hundred yards and is accessible by causeways at each end. It is in the same latitude as the South Florida coast.

This gem of the Texas gulf coast is the longest and finest remaining unbroken and undeveloped seashore in the United States.

The gulf coast of Texas is one of the Nation's rapidly developing areas. Padre Island has a magnificent role in this future development.

Its wide, clean beach, composed of fine sand, has a uniformly gentle slope, providing ideal conditions for swimming, surfing, fishing, camping, and picnicking. The Padre Island beach is one of the finest bathing beaches in the Nation.

Either it will be preserved for the people for public use for all time, or fences would rise on it, and generations of Americans would look in vain for recreational areas, would be blocked off for all future time from the sea. The Padre Island bill, my S. 4, will assure that on about 80 miles of the Padre Island beach fronting on the Gulf of Mexico in south Texas, Americans may go forever to the sea, their seashore, the people's seashore, to walk, wade, swim, sun, fish, camp, relax, commune with nature, and be refreshed by their contact with the sun, sea, and sand on a beach as it was created by the eternal forces.

Unquestionably, the passage of the Padre Island bill will have a favorable economic impact on my State. This is an important fact, but is simply an offshoot of the more pressing need for preservation of recreation areas for our fast-growing population.

With 8 miles of the 118-mile island to be in the national seashore area, 37 will be left to private development on the north and south ends, areas outside the park site. Some few miles are already being developed.

Coupled with the prior passage this year of national seashore bills for Point Reyes, Calif., and Cape Cod, Mass., enactment of my Padre Island bill is certain to earn this Senate a distinctive place in American history, for its consideration of the recreational needs of the American people, and its action to serve them. More national seashore recreation areas will have been created, and more public beach areas thus preserved for the public by this Congress, than by all previous Congresses combined. This is a natural resource conservation Congress.

I urge the Senate to give final approval to my Padre Island bill.

TRADE EXPANSION ACT OF 1962

The Senate resumed the consideration of the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes.

The PRESIDING OFFICER. The Senator from Connecticut [Mr. BUSH] is recognized.

Mr. BUSH. Mr. President, the Senate is about to vote on the amendments which I have offered.

The amendments which I have offered would require the Tariff Commission to do what it has been doing for the past 11 years—indicate the extent to which duties or other customs on articles can be changed without, in the Commission's judgment, resulting in an increase in imports so large as to cause or threaten serious injury to any domestic industry, segment of agriculture, or workers.

In prescribing the task to be performed by the Commission in this respect, the amendments use the language of existing law.

The amendments would do two things: They would require the Commission to make peril-point findings, and would require the President to explain to the Congress his reason for doing so if he goes beyond the peril point on any article.

Mr. President, these amendments are not crippling amendments. They are fortifying amendments. They would fortify the President with the most exact information that could be developed as to where the peril point lies in connection with import duties.

We are giving the President, under the pending bill, unprecedented power, the greatest power any President has ever had in connection with trade agreements or in negotiating tariffs, import duties, and so forth. So he should have—he is entitled to have—the best possible advice in the establishment of these levels.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. BUSH. I hope the Senate will support the amendments.

Mr. MANSFIELD. Mr. President, I wish to join the distinguished Senators from Rhode Island, Oklahoma, Louisiana, and other Senators, who have indicated their position against the amendments now pending before the Senate.

I call the attention of the Senate to the position of the administration outlined on page 1890 of the hearings expressing the reasons why the amendments are undesirable and unnecessary:

This amendment would again impose on the Tariff Commission the responsibility given it by the 1951 act of fixing, for each article under consideration for a possible tariff concession, the exact "peril point" below which tariffs could not safely be reduced.

This cannot realistically be done. To fix exact peril points on the basis of unpredictable future possibilities is an arbitrary process without foundation in sound economic analysis. It is impossible to translate into terms of precise tariff levels the broad variety of factors which may affect the response of domestic industries to modified tariffs.

Moreover, reintroduction of the peril-point provision is unnecessary in view of the requirement in section 221(b) which assures that before any tariff concession is granted the Tariff Commission must have the opportunity to provide to the President in a meaningful way its advice as to the probable economic effect of the proposed concession. This will leave the Tariff Commission free to render the most meaningful and intelligible advice possible, unrestricted by artificial and unworkable statutory criteria. In addition, the President would have to take into account the views of interested persons presented at public hearings held by the Tariff Commission, as well as information and advice given to him by various Government agencies. All of these procedures are designed to insure that the President's decision to modify duties will be based upon the most thorough and rational consideration of the consequences of such action as is possible.

The injury criteria under the proposed peril point would parallel those under the proposed escape clause. See paragraph 4 of comments on amendments 18 through 32.

Mr. President, I hope the Senate will defeat the amendments.

The PRESIDING OFFICER. The question is on agreeing to the amendments offered by the Senator from Connecticut [Mr. BUSH] for himself and other Senators. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Nevada [Mr. CANNON], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Michigan [Mr. HART], the Senator from Florida [Mr. HOLLAND], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Washington [Mr. MAGNUSON], the Senator from Oregon [Mrs. NEUBERGER], and the Senator from Tennessee [Mr. GORE] are absent on official business.

I further announce that the Senator from New Mexico [Mr. ANDERSON] and the Senator from Alaska [Mr. GRUENING] are necessarily absent.

On this vote, the Senator from Tennessee [Mr. GORE] is paired with the Senator from Colorado [Mr. ALLOTT]. If present and voting, the Senator from Tennessee would vote "nay." and the Senator from Colorado with vote "yea."

On this vote, the Senator from Alaska [Mr. GRUENING] is paired with the Senator from South Dakota [Mr. BOTTUM]. If present and voting, the Senator from Alaska would vote "nay," and the Senator from South Dakota would vote "yea."

On this vote, the Senator from Michigan [Mr. HART] is paired with the Senator from Texas [Mr. TOWER]. If present and voting the Senator from Michigan would vote "nay," and the Senator from Texas would vote "yea."

On this vote, the Senator from Florida [Mr. HOLLAND] is paired with the Senator from Indiana [Mr. CAPEHART]. If present and voting, the Senator from Florida would vote "nay," and the Senator from Indiana would vote "yea."

On this vote, the Senator from Minnesota [Mr. HUMPHREY] is paired with the Senator from Nebraska [Mr. HRUSKA]. If present and voting, the Senator from Minnesota would vote "nay," and the

Senator from Nebraska would vote "yea."

On this vote, the Senator from Oregon [Mrs. NEUBERGER] is paired with the Senator from New Hampshire [Mr. MURPHY]. If present and voting, the Senator from Oregon would vote "nay," and the Senator from New Hampshire would vote "yea."

On this vote, the Senator from Washington [Mr. MAGNUSON] is paired with the Senator from Nevada [Mr. CANNON]. If present and voting, the Senator from Washington would vote "nay," and the Senator from Nevada would vote "yea."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. ALLOTT] is absent on official business as a U.S. representative to the General Assembly of the United Nations.

The Senator from Maryland [Mr. BUTLER], the Senator from South Dakota [Mr. BOTTUM], the Senator from Indiana [Mr. CAPEHART], the Senator from New Jersey [Mr. CASE], the Senator from Nebraska [Mr. HRUSKA], the Senators from New York [Mr. JAVITS and Mr. KEATING], the Senator from Kentucky [Mr. MORTON], and the Senator from New Hampshire [Mr. MURPHY] are necessarily absent.

The Senator from Texas [Mr. TOWER] is necessarily absent attending the Republican State convention as required by Texas law.

If present and voting, the Senator from New York [Mr. KEATING] would vote "yea."

On this vote, the Senator from Colorado [Mr. ALLOTT] is paired with the Senator from Tennessee [Mr. GORE]. If present and voting, the Senator from Colorado would vote "yea," and the Senator from Tennessee would vote "nay."

On this vote, the Senator from South Dakota [Mr. BOTTUM] is paired with the Senator from Alaska [Mr. GRUENING]. If present and voting, the Senator from South Dakota would vote "yea," and the Senator from Alaska would vote "nay."

On this vote, the Senator from Indiana [Mr. CAPEHART] is paired with the Senator from Florida [Mr. HOLLAND]. If present and voting, the Senator from Indiana would vote "yea," and the Senator from Florida would vote "nay."

On this vote, the Senator from Nebraska [Mr. HRUSKA] is paired with the Senator from Minnesota [Mr. HUMPHREY]. If present and voting, the Senator from Nebraska would vote "yea," and the Senator from Minnesota would vote "nay."

On this vote, the Senator from Texas [Mr. TOWER] is paired with the Senator from Michigan [Mr. HART]. If present and voting, the Senator from Texas would vote "yea," and the Senator from Michigan would vote "nay."

On this vote, the Senator from New Hampshire [Mr. MURPHY] is paired with the Senator from Oregon [Mrs. NEUBERGER]. If present and voting, the Senator from New Hampshire would vote "yea," and the Senator from Oregon would vote "nay."

Mr. DODD (after having voted in the affirmative). On this vote I have a pair with the Senator from New Mexico [Mr. ANDERSON]. If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." I withhold my vote.

The result was announced—yeas 38, nays 40, as follows:

[No. 258 Leg.]

YEAS—38

Aiken	Eastland	Prouty
Beall	Ervin	Robertson
Bennett	Fong	Russell
Bible	Goldwater	Saltonstall
Boggs	Hickenlooper	Scott
Bush	Johnston	Smith, Maine
Byrd, Va.	Jordan, Idaho	Stennis
Carlson	Kuchel	Talmadge
Church	Lausche	Thurmond
Cooper	McClellan	Wiley
Cotton	Miller	Williams, Del.
Curtis	Mundt	Young, N. Dak.
Dirksen	Pearson	

NAYS—40

Bartlett	Jordan, N.C.	Muskie
Burdick	Kefauver	Pastore
Byrd, W. Va.	Kerr	Pell
Carroll	Long, Mo.	Proxmire
Chavez	Long, Hawaii	Randolph
Clark	Long, La.	Smathers
Douglas	Mansfield	Smith, Mass.
Ellender	McCarthy	Sparkman
Engle	McGee	Symington
Hartke	McNamara	Williams, N.J.
Hayden	Metcalf	Yarborough
Hickey	Monroney	Young, Ohio
Hill	Morse	
Jackson	Moss	

NOT VOTING—22

Allott	Fulbright	Keating
Anderson	Gore	Magnuson
Bottum	Gruening	Morton
Butler	Hart	Murphy
Cannon	Holland	Neuberger
Capehart	Hruska	Tower
Case	Humphrey	
Dodd	Javits	

So Mr. BUSH's amendments were rejected.

Mr. DIRKSEN. Mr. President, I move to reconsider the vote by which the amendments were rejected.

Mr. MANSFIELD. Mr. President, I move to lay that motion on the table.

Mr. DIRKSEN. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on the motion to table the motion to reconsider the vote by which the so-called Bush amendments were rejected. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DOUGLAS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DOUGLAS. What is the question now before the Senate?

The PRESIDING OFFICER. The question is on the motion to table the motion to reconsider the vote by which the Bush amendments were rejected.

The rollcall was concluded.

Mr. MANSFIELD. I announce that the Senator from Nevada [Mr. CANNON], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Michigan [Mr. HART], the Senator from Florida [Mr. HOLLAND], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Washington [Mr. MAGNUSON], the Senator from Oregon [Mrs. NEUBERGER], and the Senator from Tennessee [Mr. GORE] are absent on official business.

I further announce that the Senator from New Mexico [Mr. ANDERSON] and the Senator from Alaska [Mr. GRUENING] are necessarily absent.

I further announce that, if present and voting, the Senator from New Mexico [Mr. ANDERSON] would vote "yea."

On this vote, the Senator from Tennessee [Mr. GORE] is paired with the Senator from Colorado [Mr. ALLOTT]. If present and voting, the Senator from Tennessee would vote "yea," and the Senator from Colorado would vote "nay."

On this vote, the Senator from Alaska [Mr. GRUENING] is paired with the Senator from South Dakota [Mr. BOTTUM]. If present and voting, the Senator from Alaska would vote "yea," and the Senator from South Dakota would vote "nay."

On this vote, the Senator from Michigan [Mr. HART] is paired with the Senator from Texas [Mr. TOWER]. If present and voting, the Senator from Michigan would vote "yea," and the Senator from Texas would vote "nay."

On this vote, the Senator from Florida [Mr. HOLLAND] is paired with the Senator from Indiana [Mr. CAPEHART]. If present and voting, the Senator from Florida would vote "yea," and the Senator from Indiana would vote "nay."

On this vote, the Senator from Minnesota [Mr. HUMPHREY] is paired with the Senator from Nebraska [Mr. HRUSKA]. If present and voting the Senator from Minnesota would vote "yea," and the Senator from Nebraska would vote "nay."

On this vote, the Senator from Oregon [Mrs. NEUBERGER] is paired with the Senator from New Hampshire [Mr. MURPHY]. If present and voting, the Senator from Oregon would vote "yea," and the Senator from New Hampshire would vote "nay."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. ALLOTT] is absent on official business as a U.S. representative to the General Assembly of the United Nations.

The Senator from Maryland [Mr. BUTLER], the Senator from South Dakota [Mr. BOTTUM], the Senator from Indiana [Mr. CAPEHART], the Senator from New Jersey [Mr. CASE], the Senator from Nebraska [Mr. HRUSKA], the Senators from New York [Mr. JAVITS and Mr. KEATING], the Senator from Kentucky [Mr. MORTON], and the Senator from New Hampshire [Mr. MURPHY] are necessarily absent. If present and voting, the Senator from New York [Mr. KEATING] would vote "nay."

On this vote, the Senator from Colorado [Mr. ALLOTT] is paired with the Senator from Tennessee [Mr. GORE]. If present and voting, the Senator from Colorado would vote "nay," and the Senator from Tennessee would vote "yea."

On this vote, the Senator from South Dakota [Mr. BOTTUM] is paired with the Senator from Alaska [Mr. GRUENING]. If present and voting, the Senator from South Dakota would vote "nay," and the Senator from Alaska would vote "yea."

On this vote, the Senator from Indiana [Mr. CAPEHART] is paired with the Senator from Florida [Mr. HOLLAND]. If present and voting, the Senator from Indiana would vote "nay," and the Senator from Florida would vote "yea."

On this vote, the Senator from Nebraska [Mr. HRUSKA] is paired with the

Senator from Minnesota [Mr. HUMPHREY]. If present and voting, the Senator from Nebraska would vote "nay," and the Senator from Minnesota would vote "yea."

On this vote, the Senator from Texas [Mr. TOWER] is paired with the Senator from Michigan [Mr. HART]. If present and voting, the Senator from Texas would vote "nay," and the Senator from Michigan would vote "yea."

On this vote, the Senator from New Hampshire [Mr. MURPHY] is paired with the Senator from Oregon [Mrs. NEUBERGER]. If present and voting, the Senator from New Hampshire would vote "nay," and the Senator from Oregon would vote "yea."

The result was announced—yeas 40, nays 39, as follows:

[No. 259 Leg.]

YEAS—40

Bartlett	Jordan, N.C.	Muskie
Burdick	Kefauver	Pastore
Byrd, W. Va.	Kerr	Pell
Carroll	Long, Mo.	Proxmire
Chavez	Long, Hawaii	Randolph
Clark	Long, La.	Smathers
Douglas	Mansfield	Smith, Mass.
Ellender	McCarthy	Sparkman
Engle	McGee	Symington
Hartke	McNamara	Williams, N.J.
Hayden	Metcalf	Yarborough
Hickey	Monroney	Young, Ohio
Hill	Morse	
Jackson	Moss	

NAYS—39

Aiken	Dodd	Pearson
Beall	Eastland	Prouty
Bennett	Ervin	Robertson
Bible	Fong	Russell
Boggs	Goldwater	Saltonstall
Bush	Hickenlooper	Scott
Byrd, Va.	Johnston	Smith, Maine
Carlson	Jordan, Idaho	Stennis
Church	Kuchel	Talmadge
Cooper	Lausche	Thurmond
Cotton	McClellan	Wiley
Curtis	Miller	Williams, Del.
Dirksen	Mundt	Young, N. Dak.

NOT VOTING—21

Allott	Fulbright	Javits
Anderson	Gore	Keating
Bottum	Gruening	Magnuson
Butler	Hart	Morton
Cannon	Holland	Murphy
Capehart	Hruska	Neuberger
Case	Humphrey	Tower

So Mr. MANSFIELD's motion to table the motion to reconsider the vote by which Mr. BUSH's amendments were rejected was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. CURTIS. Mr. President, I call up my amendment identified as "9-17-62—O."

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 20, strike out lines 4 through 13, and insert in lieu thereof the following:

SEC. 243. LEGISLATIVE BRANCH COMMITTEE OF THE TRADE EXPANSION ACT OF 1962.

(a) The Speaker of the House of Representatives shall select three members (not more than two of the same political party) of the Committee on Ways and Means, two of whom shall be selected on recommendation of the chairman of said committee and the other on recommendation of the ranking minority member of said committee, and the President of the Senate shall select three members (not more than two of the same political party) of the Committee on Finance, two of whom shall be selected on recommendation of the chairman of said committee and the other on recommendation of the ranking minority member of said committee, as members of the Legislative Branch Committee of the Trade Expansion Act of 1962 for the session of the Congress during which such selections are made.

(b) Members of the Legislative Branch Committee of the Trade Expansion Act of 1962 shall be accredited observers of any United States delegation to all negotiations under this title.

(c) If a majority of the Legislative Branch Committee of the Trade Expansion Act of 1962 shall disapprove any trade agreement to be entered into under this title, they shall promptly notify the President, the Speaker of the House of Representatives, and the President of the Senate of their disapproval.

(d)(1) No trade agreement entered into under this title, with respect to which the Legislative Branch Committee of the Trade Expansion Act of 1962 has signified its disapproval in accordance with subsection (c), shall, notwithstanding any other provision of law, take effect until the expiration of the first period of sixty calendar days, of continuous sessions of the Congress, following the date on which a copy of such agreement is transmitted to the Congress under section 226; and then only if, between the date of transmittal and the expiration of such sixty-day period, there has not been passed by either of the two Houses of Congress, by the affirmative vote of a majority of the authorized membership of that House, a resolution stating in substance that such House does not favor such agreement.

(2) For the purposes of paragraph (1)—

(A) continuity of session shall be considered broken only by an adjournment of the Congress sine die, but

(B) in the computation of the sixty-day period there shall be excluded the days on which either House is not in session because of an adjournment of more than three days to a day certain.

SEC. 244. RULES GOVERNING CONGRESSIONAL CONSIDERATION OF DISAPPROVAL RESOLUTIONS

(a) The following subsections of this section are enacted by the Congress:

(1) As an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they shall be considered as part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in such House in the case of resolutions (as defined in subsection (b)); and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) With full recognition of the constitutional right of either House to change such rules (so far as relating to the procedure in such House) at any time, in the same manner, and to the same extent as in the case of any other rule of such House.

(b) As used in this section, the term "resolution" means only a resolution of either of the two Houses of Congress, the matter after the resolving clause of which is as follows: "That the _____ does not favor the trade agreement, entitled _____, submitted by the President to the Congress on _____, 19__, pursuant to section 226 of the Trade Expansion Act of 1962.", the blank spaces being appropriately filled; and does not include a resolution which specifies more than one foreign trade agreement.

(c) A resolution shall be referred to the Committee on Finance of the Senate or to the Committee on Ways and Means of the House of Representatives by the President of the Senate or the Speaker of the House of Representatives, as the case may be.

(d)(1) If the committee to which has been referred a resolution has not reported it before the expiration of ten calendar days after its introduction, it shall then (but not before) be in order to move either to discharge the committee from further consideration of such resolution, or to discharge the committee from further consideration of any other resolution with respect to the same subject matter which has been referred to the committee.

(2) Such motion may be made only by a person favoring the resolution, shall be highly privileged (except that it may not be made after the committee has reported a resolution with respect to the same subject matter), and debate thereon shall be limited to not to exceed one hour, to be equally divided between those favoring and those opposing the resolution. No amendment to such motion shall be in order, and it shall not be in order to move to reconsider the vote by which such motion is agreed to or disagreed to.

(3) If the motion to discharge is agreed to or disagreed to, such motion may not be renewed, nor may another motion to discharge the committee be made with respect to any other resolution with respect to the same subject matter.

(e)(1) When the committee has reported, or has been discharged from further consideration of, a resolution it shall at any time thereafter be in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of such resolution. Such motion shall be highly privileged and shall not be debatable. No amendment to such motion shall be in order and it shall not be in order to move to reconsider the vote by which such motion is agreed to or disagreed to.

(2) Debate on the resolution shall be limited to not to exceed ten hours, which shall be equally divided between those favoring and those opposing the resolution. A motion to limit debate shall not be debatable. No amendment to, or motion to recommit, the resolution shall be in order, and it shall not be in order to move to reconsider the vote by which the resolution is agreed to or disagreed to.

(f)(1) All motions to postpone, made with respect to the discharge from committee, or the consideration of, a resolution, and all motions to proceed to the consideration of other business, shall be decided without debate.

(2) All appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to a resolution shall be decided without debate.

Mr. CURTIS. Mr. President, for the information of Senators, I do not anticipate a long discussion of my proposal. It is my intention to ask for a yea-and-nay vote on it.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. CURTIS. I am delighted to yield.

Mr. MANSFIELD. On the basis of the Senator's statement that he will ask for a yea-and-nay vote and that he does not anticipate spending very much time on this particular amendment, I wonder if he would be amenable to the idea of a time limitation being imposed on this amendment.

Mr. CURTIS. Ten minutes would be sufficient for me.

Mr. MANSFIELD. I ask unanimous consent that 30 minutes be allowed on

the amendment, with 15 minutes to each side.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. CURTIS. Mr. President, the program before the Senate constitutes a delegation of power—power to lower tariffs, power to raise them, power to impose new ones—but it goes beyond the power of previous acts. My proposal would impose some legislative control over the exercise of that power. It is a moderate amendment. It is reasonable. In the past it has been suggested that trade agreements be ratified by the Senate. We are not proposing that. It requires time. It has also been suggested that all trade agreements be voted upon by Congress under a rather quick procedure such as that provided for reorganization plans in the executive branch of the Government. My amendment does not provide for that. It goes a reasonable distance.

The amendment provides for a legislative committee, controlled by the majority party, a committee composed of three members of the Committee on Finance—two majority members and one minority member—and three members of the Committee on Ways and Means of the House—two majority members and one minority member. They would constitute what we have chosen to describe as the Legislative Branch Committee of the Trade Expansion Act of 1962.

On page 2 of the amendment it is provided:

> Members of the Legislative Branch Committee of the Trade Expansion Act of 1962 shall be accredited observers of any United States delegation to all negotiations under this title.

Up to that point it is somewhat like section 243, in the bill which, I understand, has the approval of the executive branch of the Government.

Then on line 14 of page 2 I provide:

> If a majority of the Legislative Branch Committee of the Trade Expansion Act of 1962 shall disapprove any trade agreement to be entered into under this title, they shall promptly notify the President, the Speaker of the House of Representatives, and the President of the Senate of their disapproval.

The Committee would be composed of four Democrats and two Republicans, and a majority vote would be required to disapprove. I am not asking for a Republican proposal. I am asking for a constitutional proposal.

If the Committee disapproved of a trade agreement, it would not become effective for 60 days. During that 60 days the amendment provides, in the usual form of a proposed reorganization of the executive branch, for the appropriate committees of each House—Finance and Ways and Means—to report a resolution. The resolution must be reported, and then the question is, Shall the trade agreement be approved or not approved?

If either House rejects it, the trade agreement does not become final. What I have tried to say is that we are not proposing that all trade agreements shall be ratified by the Senate, as treaties are, although a good case could be made for that procedure. We are not proposing that all trade agreements must be subject to the vote of Congress, although a good case could be made for that procedure. We take the idea already in the bill, of legislative representation in negotiations, as observers only, because in the opinion of the junior Senator from Nebraska, under our Constitution, a Member of Congress cannot negotiate with a foreign country. However, we would have representatives at the negotiations. If a majority of them, which would mean four out of six—and the provision does not give a veto to the minority party—disapproved the agreement, they would notify the President, the President of the Senate, and the Speaker of the House.

Then follows a provision that the agreement must be submitted to Congress for a vote.

May we never become so sophisticated and so modern that we totally disregard the Constitution of the United States. Article I, section 8, reads:

> The Congress shall have power to lay and collect taxes, duties, imposts, and excises.

In addition to vast authority to reduce taxes by 50 percent, the bill provides authority——

Mr. HICKENLOOPER. The Senator means tariffs, not taxes, does he not?

Mr. CURTIS. Tariffs are taxes on imports. Actually, if the bill passes, the Government will sustain a loss of half a billion dollars in revenue. The bill provides the President with authority to wipe out tariffs on a long list of items. The Senate has just voted to abandon the peril-point procedure. The bill contains important provisions for the President to set in motion unemployment compensation systems, and a vast delegation of power which belongs to Congress.

I read again from article I, section 8, of the Constitution:

> Congress shall have power to regulate commerce with foreign nations.

I do not say that there are not established precedents for Congress to delegate power to the Executive; but that is always done under certain limitations and safeguards, and such delegation does not surrender all power.

My proposal amounts to creating a committee of six vested with the right to sit in on the negotiations, not to take the place of our negotiators or diplomats; we cannot do that. But we have a right to be present and know what is taking place. As Congress is now constituted, the congressional committee would consist of four Democrats and two Republicans. If a majority of that group decided that a trade agreement was not good for the United States, a procedure then would be set in motion under which, within 60 days, if Congress were in session, a vote would be taken to decide whether Congress approved or disapproved such a trade agreement. I submit that that would constitute a delegation of power with restraints, with guidelines, with knowledge on the part of the legislative branch, and with the legislative branch having the final determination of the use of such power. Without this amendment, there would be nothing.

I shall read some other language in the bill. It will not help to protect industries, but it is a delegation of power. If after damage has been done someone complains, the President would have power to do certain things. The bill contains this language at the top of page 83.

> Notwithstanding any other provision of law, the President may, when he finds it in the national interest, proclaim with respect to any article imported into the United States—
>
> (1) the increase of any existing duty on such article to such rate as he finds necessary.

How high can the President raise a tariff? He can raise it to outer space; not back to Smoot-Hawley; not by 50 percent; not by 100 percent. The language in the bill provides a delegation of power to the President to raise the duty as high as he finds necessary.

> (2) The imposition of a duty on such article (if it is not otherwise subject to duty) at such rate as he finds necessary.

The bill gives the President the power to impose a duty on any item on the free list at any rate he chooses. Our most liberal friends could not say that that is not an appropriate delegation of power, without having the final answer in the hands of those in whom it is vested by the Constitution.

This is the third thing the President could do:

> (3) the imposition of such other import restrictions as he finds necessary.

What are they? Embargoes, quotas, import licenses, currency manipulations, quarantines, and a decision that goods must be delivered within 5 days after they are manufactured. The President would have unlimited power.

I submit that the safeguard I propose is reasonable. It does not give a veto to the minority and will not impede the program. But I believe it will cause the program to conform to the real needs of the economy of this Nation, and also that it will result in a broader adherence to the basic charter which we are all pledged to uphold.

Mr. President, how much time have I consumed?

The PRESIDING OFFICER. The Senator from Nebraska has a minute and a half remaining.

Mr. CURTIS. I reserve the remainder of my time.

Mr. KERR. Mr. President, will the Senator from Nebraska yield for a question?

Mr. CURTIS. If the Senator will yield me some time.

Mr. KERR. I will yield a minute to the Senator. The Senator spoke about the President having authority to impose higher tariffs, quotas, and so forth. Is that by virtue of the Talmadge amendment, which was adopted by the Committee on Finance? Is that the amendment to which the Senator refers?

Mr. CURTIS. That is what I was referring to.

Mr. KERR. Did the Senator from Nebraska vote against that amendment?

Mr. CURTIS. I did.

Mr. KERR. I thought the Senator from Nebraska was among those who voted for the adoption of the amendment.

Mr. CURTIS. I voted for the amendment. I think the President must be armed with that power; but that does not imply that I believe in a total surrender and abandonment of the constitutional powers of Congress.

Mr. KERR. Mr. President, I yield myself 5 minutes.

I appreciate the action of the Senator from Nebraska in correcting himself and advising the Senate that he voted for the amendment which gives the President that power. That provision was placed in the bill not to weaken it from the standpoint of those who protect domestic industry, but to strengthen it. It was placed in the bill because members of the Committee on Finance thought it would strengthen the hand of the President in his negotiations, and not weaken it.

If the Senator from Nebraska really favors his amendment, he should offer one which not only would defeat the purpose of the bill, but would also set aside all the trade agreements which have been negotiated in the almost 30 years of the history of the Trade Agreements Act.

Mr. CURTIS. Mr. President, will the distinguished Senator from Oklahoma yield?

Mr. KERR. I will yield on the Senator's time; that was the way I had to yield to him.

Mr. CURTIS. I am sorry; I do not have sufficient time.

Mr. KERR. Congress had the full authority for tariff fixing, and still has it, under the Constitution. When the Trade Agreements Act was inaugurated, certain powers were delegated to the President in that regard. The Act provided that he might negotiate with other nations agreements which would benefit and place American industry in a favorable position, in return for which, in connection with items that were either in short supply or that we did not produce, we gave concessions to other nations. Thereby, Congress authorized the President to negotiate what amounted to changed tariff rates.

If Congress wishes to reassume the responsibility for fixing tariffs, it may do so. I recognize that there are great elements in favor of that. But if such were to be the desire of Senators, it should not be accomplished by means of an amendment such as this one, under which there would be the very awkard situation that the President would have authority to negotiate agreements and fix tariff rates, subject to passage by both Houses of Congress and the signature of the legislation by the President, but, on the other hand, under the provisions of this amendment one House of the Congress could veto such a trade agreement.

I cannot imagine a more cumbersome, awkward, and futile type of legislation. Certainly Congress has the responsibility and the authority to fix tariffs; and when Congress decides to return to the exercise of that authority, I am ready to support the posture of the Congress in fixing all tariffs.

But I cannot imagine anything more ridiculous than to send our negotiators to negotiate such agreements with other nations, but to have their hands tied behind them, and to have the representatives of the other nations say, "What is the use of our negotiating an agreement with you, because either House of your Congress can veto it by a simple majority vote." How could Congress expect the President to use such power effectually?

It was for the purpose of giving the President greater power and a better position for negotiation that the Finance Committee adopted the amendment referred to by the Senator from Nebraska—an amendment about which he was complaining, although he voted for it in the Finance Committee.

I remind Senators that under the provisions of this bill, both the House and the Senate are to be represented in the negotiations. If Senators will turn to page 20, line 4, section 243, they will find the following:

SEC. 243. CONGRESSIONAL DELEGATES TO NEGOTIATIONS.

Before each negotiation under this title, the President shall, upon the recommendation of the Speaker of the House of Representatives, select two members (not of the same political party) of the Committee on Ways and Means, and shall, upon the recommendation of the President of the Senate, select two members (not of the same political party) of the Committee on Finance, who shall be accredited as members of the United States delegation to such negotiation.

The PRESIDING OFFICER (Mr. LONG of Missouri in the chair). The time of the Senator from Oklahoma has expired.

Mr. KERR. Mr. President, I yield myself an additional 4 minutes.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized for 4 additional minutes.

Mr. KERR. Mr. President, if Congress wishes to have a hand in these negotiations, it can do so; it can appoint two members from the Ways and Means Committee of the House and two members from the Senate Finance Committee, "who shall be accredited as members of the U.S. delegation to such negotiation," and they can play a part in the negotiations and in arriving at the trade agreement, and can do so in a manner which will not embarrass the negotiators for our country and will not strip them of any posture of dignity or authority, but will leave them in such a position that the countries with which they are negotiating will know that when they reach an agreement with the representatives of the United States, including two members of the House Ways and Means Committee and two members of the Senate Finance Committee, it will be a valid conclusion.

But under the amendment of the Senator from Alaska, they would not have a valid solution and conclusion of the agreement, even if the legislative commission which the Senator from Nebraska seeks to have established were present and agreed to it, because under the amendment either House could later veto it. The amendment of the Senator from Nebraska provides:

As an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they shall be considered as part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in such House in the case of resolutions—

And so forth. This amendment would rewrite the rules of the Senate and the rules of the House; and even though these representatives were present and engaged in the negotiations and approved them, either group could return to its own House and could there secure the adoption of a resolution, under the terms of this amendment, which would void the agreement which had been reached.

If Congress is to enact a trade bill—and it is my sincere conviction that Congress should do so and will do so—it should do so on the basis of the language before it, and it should not permit that language to be destroyed and should not permit the purposes to be eliminated and voided by means of the adoption of this amendment, which would only cripple, embarrass, create confusion, and defeat the very purposes for which the bill is written and considered.

So, Mr. President, the amendment should be rejected.

Mr. MILLER. Mr. President, will the Senator from Oklahoma yield for a brief question?

Mr. KERR. Mr. President, how much time remains available?

The PRESIDING OFFICER. Four and one-half minutes.

Mr. KERR. I yield for a question.

Mr. MILLER. My question is with respect to the congressional delegates, under the bill. Would they be full-fledged members of the delegation who would vote, just like any other members of the negotiating team, in the event of controversy among themselves?

Mr. KERR. Yes.

Mr. MILLER. I thank the Senator from Oklahoma.

Mr. KERR. They will; the bill states, on page 20, that they—

shall be accredited as members of the U.S. delegation to such negotiation.

Mr. MILLER. I thank the Senator from Oklahoma.

The PRESIDING OFFICER. The Senator from Nebraska has 1½ minutes remaining under his control.

Mr. CURTIS. Mr. President, I invite attention to the fact that when I refer to the Talmadge amendment, it is not the only delegation of power. In this bill authority is given to reduce tariffs by 50 percent in general; and the tariff on any commodity, when 80 percent of the world trade is represented in the European free community, can be reduced to zero; and on any tariff that is not as much as 5 percent ad valorem or its equivalent, there can be a reduction to zero.

As the bill now stands, it does not provide for any peril-point procedures. The bill is a vast delegation of congressional authority.

This amendment provides a small measure of supervision.

I point out that the number of nations in the world which require supervision of their trade agreements is greater than the number of those which do not require it.

If this amendment is adopted and enacted, it will mean that six congressional representatives will participate, and four of them will have to disapprove before this action can be taken; in this case, a majority will be two-thirds. In the event they disapprove, Congress will vote on the proposal.

Mr. President, the powers being dealt with are congressional powers, and the Constitution is thus being circumvented.

The PRESIDING OFFICER. The time available to the Senator from Nebraska has expired.

Mr. CURTIS. Mr. President, I ask for a yea-and-nay vote.

Mr. KERR. Mr. President, I yield myself 2 minutes.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized for 2 minutes.

Mr. KERR. Mr. President, the distinguished Senator from Nebraska said that under the bill the President has certain authority to reduce tariffs. That is quite true, and that was the question before the Finance Committee when the point was made that since the President had such power, we should strengthen his ability to obtain concessions, by also giving him the power to raise tariffs and impose quotas. The Senator from Nebraska was one of the advocates of such a proposal; and it was on the advocacy of such a proposal by other members of the committee and also by the Senator from Nebraska, and in order to strengthen the hands of the President at the same time, that we voted to give the President the power to reduce tariffs, and to eliminate them under certain circumstances, and also to raise them, and to impose quotas. The Senator from Nebraska said that was necessary and wholesome and constructive, and should be done; and the committee adopted the amendment.

So I am amazed to find now that, on the basis of the amendment which he sponsored in the committee, and the adoption of which he helped to effect, he now proposes that we destroy the bill by permitting one House of the Congress to void any agreement which might be reached under the bill.

Mr. President, I hope the amendment of the Senator from Nebraska will be rejected.

I yield back the remainder of the time under my control.

The PRESIDING OFFICER. All remaining time has been yielded back.

The question is on agreeing to the amendment of the Senator from Nebraska [Mr. CURTIS]. On this question the yeas and nays have been ordered; and the clerk will call the roll.

Mr. KUCHEL. Mr. President, has all remaining time been yielded back?

The PRESIDING OFFICER. Yes; and the yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Nevada [Mr. CANNON], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Tennessee [Mr. GORE], the Senator from Michigan [Mr. HART], the Senator from Florida [Mr. HOLLAND], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Washington [Mr. MAGNUSON], the Senator from Oregon [Mrs. NEUBERGER], and the Senator from Virginia [Mr. ROBERTSON] are absent on official business.

I further announce that the Senator from New Mexico [Mr. ANDERSON] and the Senator from Alaska [Mr. GRUENING] are necessarily absent.

I further announce that, if present and voting, the Senator from Michigan [Mr. HART], the Senator from Florida [Mr. HOLLAND], the Senator from Alaska [Mr. GRUENING], the Senator from Washington [Mr. MAGNUSON], and the Senator from Virginia [Mr. ROBERTSON] would each vote "nay."

On this vote, the Senator from Tennessee [Mr. GORE] is paired with the Senator from New Hampshire [Mr. MURPHY]. If present and voting, the Senator from Tennessee would vote "nay," and the Senator from New Hampshire would vote "yea."

On this vote, the Senator from Minnesota [Mr. HUMPHREY] is paired with the Senator from Indiana [Mr. CAPEHART]. If present and voting, the Senator from Minnesota would vote "nay," and the Senator from Indiana would vote "yea."

On this vote, the Senator from Oregon [Mrs. NEUBERGER] is paired with the Senator from Texas [Mr. TOWER]. If present and voting, the Senator from Oregon would vote "nay," and the Senator from Texas would vote "yea."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. ALLOTT] is absent on official business as a U.S. representative to the General Assembly of the United Nations.

The Senator from Maryland [Mr. BUTLER], the Senator from South Dakota [Mr. BOTTUM], the Senator from Indiana [Mr. CAPEHART], the Senator from New Jersey [Mr. CASE], the Senator from Nebraska [Mr. HRUSKA], the Senators from New York [Mr. JAVITS and Mr. KEATING], the Senator from Kentucky [Mr. MORTON], and the Senator from New Hampshire [Mr. MURPHY] are necessarily absent.

The Senator from Texas [Mr. TOWER] is necessarily absent attending the Republican State convention as required by Texas law.

On this vote, the Senator from South Dakota [Mr. BOTTUM] is paired with the Senator from Colorado [Mr. ALLOTT]. If present and voting, the Senator from South Dakota would vote "yea," and the Senator from Colorado would vote "nay."

On this vote, the Senator from Nebraska [Mr. HRUSKA] is paired with the Senator from New York [Mr. KEATING]. If present and voting, the Senator from Nebraska would vote "yea," and the Senator from New York would vote "nay."

On this vote, the Senator from Indiana [Mr. CAPEHART] is paired with the Senator from Minnesota [Mr. HUMPHREY]. If present and voting, the Senator from Indiana would vote "yea," and the Senator from Minnesota would note "nay."

On this vote, the Senator from New Hampshire [Mr. MURPHY] is paired with the Senator from Tennessee [Mr. GORE]. If present and voting, the Senator from New Hampshire would vote "yea," and the Senator from Tennessee would vote "nay."

On this vote, the Senator from Texas [Mr. TOWER] is paired with the Senator from Oregon [Mrs. NEUBERGER]. If present and voting, the Senator from Texas would vote "yea," and the Senator from Oregon would vote "nay."

If present and voting, the Senator from New York [Mr. JAVITS] would vote "nay."

The result was announced—yeas 13, nays 65, as follows:

[No. 260 Leg.]

YEAS—13

Bennett	Fong	Mundt
Boggs	Goldwater	Prouty
Cotton	Hickey	Thurmond
Curtis	Jordan, Idaho	
Dirksen	Kuchel	

NAYS—65

Aiken	Hickenlooper	Pastore
Beall	Hill	Pearson
Bartlett	Jackson	Pell
Bible	Johnston	Proxmire
Burdick	Jordan, N.C.	Randolph
Bush	Kefauver	Russell
Byrd, Va.	Kerr	Saltonstall
Byrd, W. Va.	Lausche	Scott
Carlson	Long, Mo.	Smathers
Carroll	Long, Hawaii	Smith, Mass.
Chavez	Long, La.	Smith, Maine
Church	Mansfield	Sparkman
Clark	McCarthy	Stennis
Cooper	McClellan	Symington
Dodd	McGee	Talmadge
Douglas	McNamara	Wiley
Eastland	Metcalf	Williams, N.J.
Ellender	Miller	Williams, Del.
Engle	Monroney	Yarborough
Ervin	Morse	Young, N. Dak.
Hartke	Moss	Young, Ohio
Hayden	Muskie	

NOT VOTING—22

Allott	Gore	Magnuson
Anderson	Gruening	Morton
Bottum	Hart	Murphy
Butler	Holland	Neuberger
Cannon	Hruska	Robertson
Capehart	Humphrey	Tower
Case,	Javits	
Fulbright	Keating	

So Mr. CURTIS' amendment was rejected.

Mr. MANSFIELD. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. KERR. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

Mr. BARTLETT obtained the floor.

Mr. MORSE. Mr. President, will the Senator from Alaska yield to me?

The PRESIDING OFFICER (Mr. JORDAN in the chair). Does the Senator from Alaska yield to the Senator from Oregon?

Mr. BARTLETT. I yield to the Senator from Oregon.

Mr. MORSE. The Senator from Oregon would like to know if the Senator from Alaska is willing to yield long enough for the Senator from Oregon to ask a few questions of the Senator

from Virginia [Mr. BYRD] for legislative history on the bill.

Mr. BARTLETT. Indeed, yes. I have ample time. I am glad to yield to the Senator from Oregon for that purpose.

Mr. MORSE. Mr. President, I wish to say to the Senator from Virginia that I am very much interested in making some legislative history on the bill dealing with that part of the committee report starting at the bottom of page 10 which reads as follows:

> The language in the bill which modifies present law, as it relates to the criteria for determining injury in an escape clause proceeding before the Tariff Commission, is to make perfectly clear that all relevant economic factors shall be considered. In this respect the criteria for determining injury does not differ from present law.

As the Senator knows, the lumber industry in my State is greatly concerned about this bill. I am doing the very best I can to obtain clarification of the bill both in the Senate and from the administration. I shall have a conference later this afternoon with representatives of the administration in regard to the implementation of the proposals made by the President of the United States some weeks ago at a White House conference with representatives of the Pacific Northwest delegations vis-a-vis the critical problem which confronts us in the lumber industry.

It had been my hope that I could arrive at an understanding with the administration concerning the policy that will be followed by the administration in connection with the foreign trade bill, so that I can vote for the bill and not find it necessary to offer lumber amendments to it.

With that as a preface, I say to the Senator from Virginia that it would be very helpful to me if he would be so kind as to oblige me by answering certain questions I shall now put to him for the purpose of making a legislative history on the bill. As the Senator well knows, every word that the Senator from Virginia speaks about the bill in the course of the debate will have great bearing on any subsequent interpretation as to legislative intent and meaning with respect to the bill, whether the issue is raised before a commission such as the Tariff Commission or is later raised in litigation in an adversary proceeding before any judicial tribunal.

With that as a statement of my motivation in asking these questions, I proceed as follows:

Section 301(b) of the bill establishes the procedures whereby a domestic industry can seek relief before the Tariff Commission if it is being injured by the import of competing articles. The bill instructs the Tariff Commission to determine whether as a result in major part of concessions granted under trade agreements, an injury is being caused a domestic industry. In making its determination, the Tariff Commission is instructed to take into account all economic factors which it considers relevant. Section 7 of the present Trade Agreements Extension Act deals with the same subject matter as section 301(b) of the pending bill. The equivalent language of section 7 of the present Trade Agreements Extension Act instructs the Tariff Commission in an escape-clause case to consider "without excluding other factors" certain enumerated economic factors. My first question is this, and I ask this question for the purpose of clearly establishing the intent of Congress in modifying present law, as it relates to the criteria for determining injury in an escape-clause proceeding before the Tariff Commission:

Is it intended that the Tariff Commission shall consider all relevant economic evidence of injury to a domestic industry in an escape-clause case?

Mr. BYRD of Virginia. In answer to the question of the distinguished Senator from Oregon the Senator from Virginia states that certainly the factors enumerated by the Senator from Oregon are relevant factors and I should think that the Tariff Commission would take them into consideration along with others that may be pertinent.

Mr. MORSE. I thank the Senator very much. I proceed to my next question. Pursuing this line of questioning a little further, will the gentleman state whether the enumeration of three specific economic factors in section 301(b)(2) of the bill is intended to exclude any other relevant economic factors from being considered by the Tariff Commission in determining injury to a domestic industry—as for instance, a decline in domestic production or a decline in total wages paid, or an increase in the domestic market supplied by imports, or falling profits of domestic producers?

Mr. BYRD of Virginia. I will say to the Senator from Oregon that it is clear, in the opinion of the Senator from Virginia, that the language in section 301(b)(2) of the pending bill that all relevant economic factors shall be considered by the Tariff Commission including those which the Senator from Oregon enumerated and any others that would assist the Tariff Commission in arriving at a proper decision.

Mr. MORSE. I shall proceed with my next question. I appreciate very much the help of the Senator from Virginia in making the record on this subject. Does the Senator agree with me that insofar as deciding what economic factors shall be considered by the Tariff Commission in determining injury to a domestic industry there is no difference between section 301(b)(2) of the pending bill and section 7 of the present Trade Agreements Extension Act?

Mr. BYRD of Virginia. In the opinion of the Senator from Virginia, the Senator from Oregon has expressed the intention of section 301(b)(2) very well. The Tariff Commission shall consider all relevant economic factors, and in this respect the criteria for determining injury does not differ in any way from present law.

Mr. MORSE. Again I thank the Senator. I now wish to ask my last question. My reason for clarifying this point is well known to the gentleman. As he knows, the President urged in July that the lumber industry file an application before the Tariff Commission for relief from the disastrous impact of rapidly increasing imports of Canadian softwood lumber. I also urged the lumber industry, as did others in this body, to pursue the procedures established by law for obtaining relief from imports. The lumber industry has filed such an application before the Tariff Commission and the Tariff Commission has already sent a questionnaire out to the lumber companies seeking economic information—which questionnaire must be returned by September 28, 1962. I was sure that the Congress did not intend to change the rules right in the middle of this case so as to make it impossible for the lumber industry to have all relevant economic data considered by the Tariff Commission.

Am I correct in my understanding that the rules have not been changed, that is, the Tariff Commission can proceed on the basis of the questionnaire and on the basis of such other evidence as may be presented to it to make its finding in regard to the pending lumber situation?

Mr. BYRD of Virginia. The Senator from Virginia agrees with the Senator from Oregon that it would be unfair to change the rules significantly under the case to which he refers, to be considered, and I can assure him there is no intent in the present bill to preclude consideration of any factors heretofore or hereafter considered relevant.

Mr. MORSE. I thank the Senator from Virginia.

Mr. DOUGLAS. Mr. President, will the Senator from Alaska yield?

Mr. BARTLETT. I shall be happy to yield, but I promised to yield first to the distinguished Senator from Nebraska. I yield to the Senator from Nebraska.

Mr. CURTIS. I thank the distinguished Senator.

Mr. President, I invite the attention of Senators to the fact that when the distinguished Senator from Alaska [Mr. BARTLETT] completes the presentation of his amendment and his amendment is considered and acted upon, it will be my purpose to seek recognition to call up for adoption amendment 9-17-62—S, which would strike from the bill provision related to special unemployment compensation and special relief to business, such as loans. I thank the distinguished Senator.

Mr. BARTLETT. I now yield to the Senator from Illinois.

Mr. DOUGLAS. Mr. President, rollcalls are extremely important to a proper understanding of the political history of the country, and frequently their full significance is not realized until a long time after they have occurred.

I hold in my hand the yea-and-nay vote on the Bush amendments, which failed of passage by so narrow a margin that it has become evident that the amendments were rejected by the small group of Senate liberals who voted against them in accordance with their convictions, despite the fact that they have been exposed for many months to revilement by the Democratic Senate

leadership and by bitter attacks in many sections of the press. At the same time some of the Senate Democratic leadership were absent, and numerous others of the Senate Democratic hierarchy voted as usual with the Republicans.

I believe these facts need to be noted for the sake of history. It also seems to indicate that many of us who are ostracized in the Senate by the Democratic leadership and the Democratic staff are really the true defenders of Democratic policies. The whole reality of politics in the Senate needs to be known by the people and by the press. They need to know that the Senate is run by a bipartisan alliance of conservative Republicans and conservative Democrats.

As I said in Milwaukee in a speech in behalf of Governor Nelson, and as I said in 35 speeches throughout Illinois over the weekend, we need more progressive Democrats in the Senate and, in spite of the efforts of the Democratic leadership to defeat progressive Democrats in Illinois and elsewhere, we shall continue in our efforts to present the issues in which we believe before the country and before the people.

Mr. MORSE. Mr. President, will the Senator from Alaska yield so that I may make a comment?

Mr. BARTLETT. I am happy to yield to the Senator from Oregon.

Mr. MORSE. I usually agree with the Senator from Illinois. I could not agree with him more than I do in relation to the comments he just made. I associate myself with those comments. I express the hope that the President of the United States, John Fitzgerald Kennedy, will take note of them.

Mr. DOUGLAS. I hope the country will take note. I do not expect the Democratic senatorial leadership to take note, because I believe they have set themselves on a determined course. But I hope the country will take note and that we will carry the issue to the people as to what kind of Democratic Party we shall have, and whether the bipartisan alliance will continue to dominate the Senate and the Congress.

Mr. SMATHERS. Mr. President, will the Senator yield?

Mr. BARTLETT. I yield.

Mr. SMATHERS. One nice thing about the practice of the Senate is that any Senator can rise and make a self-serving declaration at any time he wishes to do so. I am happy to observe that the able Senator from Illinois has indulged himself in that particular respect. I do not claim that I am any part of the Senate Democratic leadership. I am sometimes accused of so being, when I vote in favor of certain proposals and many times I have been accused of not being a part of the leadership when I vote contrary to certain Senators. In any event, I, like almost every other Senator, vote my convictions. I believe we all act in the best interests of our State and Nation.

As I look at the results of the yea-and-nay vote to which the Senator from Illinois alluded, I cannot be made completely aware that the so-called liberals won the issue. I see that there is a difference on only 1 vote, 39 to 40. Yet when we look over the result of the yea-and-nay vote, we see that the able Senator from North Carolina [Mr. JORDAN] voted against the Bush amendments. The Senator from Florida voted against the Bush amendments?

The Senator from Louisiana [Mr. ELLENDER] voted against the Bush amendments. The Senators from Alabama voted against the Bush amendments. The Senator from Massachusetts [Mr. SMITH] and the Senator from Rhode Island [Mr. PASTORE] and other Senators, who do not necessarily fall within this little self-appointed liberal group, voted against the Bush amendments. These Senators mentioned come from States where it was difficult for them to vote as they did. They showed great courage and conviction. Therefore, rather than the country having to be notified that the amendments were defeated by a single little group, actually, as is usually the case in a vote of this character, any 1 or 2 of the 40 Senators voting "no" could claim, "We did it," because the vote was that close.

I recognize the right of the able Senator from Illinois to make his assertion. I have no knowledge, and I doubt that anyone else has, that the Democratic leadership wants to do anything but try to cooperate with the so-called self-styled liberal group. It is my belief that the leadership wishes to cooperate and wishes to help these self-named liberals every time and on every program that they bring before the Senate. Sometimes it cannot do so. But I believe the leadership tries in most instances to do so.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. BARTLETT. I yield.

Mr. MORSE. I thought I heard the Senator in his first statement assert that the Senate leadership wishes to cooperate with the liberals and his second statement confirms it. I utter a complete denial that there has been any indication on the part of the Democratic leadership for some time past of cooperation with the liberal group in the Senate.

Mr. DOUGLAS. We have indeed been exposed to continuous revilement and denunciation.

Mr. SMATHERS. I am delighted that the Senator from Illinois has an understanding of what certain southern Senators have been going through for all these years. They have been reviled, but they do not get up and complain every time they are reviled. It is so regular and constant with them that they have become accustomed to it. They have learned to take it—their hides have grown thick.

Therefore it is very interesting that the so-called liberals, after receiving light criticism for the first time, are becoming a little sensitive. One distinguishing feature about our party is that it has all kinds of people in it, with all kinds of economic and political philosophies. It has strength in its diversity. That is what has given it strength and that is what will continue to give it strength.

Mr. DOUGLAS. Mr. President, will the Senator yield further?

Mr. BARTLETT. Yes, but with the understanding that the floor will be returned to me eventually.

Mr. DOUGLAS. Certainly. I appreciate the comment of the very attractive Senator from Florida. I believe the RECORD will show that the Bush amendments could not have been defeated without the vote of 12 to 15 liberals. A further analysis of the vote will indicate that a great many of those high in the party hierarchy in the Senate were either absent or voted in favor of the Bush amendments.

We of the liberal group intend to continue to vote our consciences. We are not governed by resentment. However, sometimes we are taken for granted, and given very grudging acceptance when we bail out the party leadership, and are subjected to a good deal of punishment on other occasions, and ostracism virtually all the time. This is having an unfortunate effect on the country; and it is important that notice about it should go out to the country.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I am glad to yield.

Mr. MORSE. Does the Senator from Illinois also note that that applies very much to campaign support from the Democratic Senatorial Election Committee when liberals are running for office?

Mr. DOUGLAS. Yes; liberals receive very little support from senatorial headquarters when they run for office. In the State of Illinois, where we are trying to elect a progressive Democrat, the efforts of the senatorial leadership have been to defeat him.

Mr. SMATHERS. The able majority leader is not on the floor at the present time, but I know he would say if he were here that he is deeply grateful to Senators who call themselves liberals and all others who voted against the Bush amendments. He is deeply grateful to Senators from the South, who voted against the Bush amendments. He is also deeply grateful to the Senator from Illinois, the Senator from Oregon, and all the other Senators who voted against the Bush amendments. That was the leadership position and it was pleasant to find so many of us on the same side.

Mr. DOUGLAS. My heart is overflowing with love and understanding, but I am not deeply grateful.

Mr. BARTLETT. I do not know where the Senate has been in the past few minutes.

The PRESIDING OFFICER. Does the Senator desire to call up his amendment?

Mr. BARTLETT. I do.

Mr. President, I call up my amendment.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 22, line 2, strike out "or".

On page 22, between lines 5 and 6, insert the following:

(3) engages or tolerates its nationals to engage in practices which are in conflict with recognized conservation principles and tend to defeat efforts by the United States includ-

ing the respective States to conserve or protect fishery resources, or

(4) takes any action, contrary to the principles of international law, to harass or otherwise interfere with the United States-flag fishing vessels engaged in lawful activities on the high seas.

On page 22, line 10, strike out "or" after the comma.

On page 22, line 13, strike out the period and insert ", or".

On page 22, between lines 13 and 14, insert the following:

(C) take such action to adjust imports of products of such country or instrumentality as he deems necessary.

AMERICAN POLICY IN CUBA

Mr. HARTKE. Mr. President, will the Senator from Alaska yield to me for about 5 minutes?

Mr. BARTLETT. I yield.

Mr. HARTKE. Mr. President, for several weeks the American people have been listening to those who are on the other side of the aisle frantically seeking for some straw which, through magic—known only to themselves, can be turned into a campaign issue.

The oratory has been splendiferous—the flag has been waved vigorously and the voices have been loud—but, unfortunately for their purpose, the words and the logic, have been unconvincing.

The American people, wise in their understanding and mature in their judgment because of their heritage of democracy, recognize the purpose of this shouting and shadow boxing for what it truly is—a desperate search for an issue which can be used in the election campaign that is now upon us.

The issue that is being belabored is American policy in Cuba.

It is a strange fact of history that exactly 60 years ago our Nation was faced with the problem of another power-mad dictator also named Castro who, gripping the people of Venezuela by their throats, forced upon them a rule by corrupt and revolutionary methods.

Theodore Roosevelt, our President at that time, discarded the soft language of diplomacy in describing this Castro—the Venezuelan Castro—as an "unspeakable, villainous little monkey."

Somehow the words evoke a similar image today. One must agree with the sage known as "the Preacher" who, nearly 2,000 years ago, in setting down his thoughts and reflections regarding man and his deeds—in what is called "Ecclesiastes" said: "There is no new thing under the sun."

This power-mad, blood-lusting Castro of 1902 refused to honor his debts and his committments causing three powerful nations, Great Britain, Germany, and Italy to begin a combined naval demonstration off the coast of Venezuela.

President Roosevelt calmly, and from a position of strength, saw to it that the battleships were withdrawn and made the dictator Castro see reason and honor his commitments—not with arms, not with weapons, and not with troops—but through the power based upon his policy of "speak softly and carry a big stick."

Last Thursday afternoon at his press conference, President Kennedy—in measured and reasoned words—counseled watchful restraint.

His unruffled and impressive statement is in keeping with the policy of "speak softly and carry a big stick."

What our Republican friends either have forgotten or purposely ignore are the facts of geography.

Yes, Cuba is only 90 miles from our shores. But remember and mark this well, we are firmly based on the island of Cuba.

At Guantanamo we have an impregnable position, manned by thousands of highly trained and skilled marines armed with the latest weapons. Hugging the shores and on the alert are units of the powerful U.S. fleet, including aircraft carriers.

Yes, Castro is only 90 miles from our shores, but we are in his kitchen—armed with a great big stick and looking straight down his throat.

Mr. President, is not ours a wise and clear-sighted policy? That, first spoken by Theodore Roosevelt—"Speak softly and carry a big stick."

President Kennedy spoke as a statesman—and a student of history.

I am grateful to the Senator for yielding some of his time to me after yielding time to other Senators.

TRADE EXPANSION ACT OF 1962

The Senate resumed the consideration of the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes.

Mr. BARTLETT. Mr. President, before the Senator from Indiana spoke, I was about to say that I did not know exactly where the Senate had been in the few minutes before that. I was about to suggest a cooling off period, since I proposed, in discussing my amendment, to take Senators below the briny surface of the ocean. But before doing so, I am minded to say that following the discussion among the Senator from Illinois [Mr. DOUGLAS], the Senator from Oregon [Mr. MORSE], the Senator from Florida [Mr. SMATHERS], and the Senator from Minnesota [Mr. MCCARTHY], the Senator from Minnesota, who is a close student of "Alice in Wonderland" and possesses a most retentive memory, suggested that the end result of the discussion might have been long since settled in "Alice in Wonderland." He referred especially to the caucus race recited in that book. Apparently the question was who had won the race. It was finally settled, said the Senator from Minnesota, in the deathless words of the dodo, who said:

Everybody has won, and all must have prizes.

Mr. President, I turn now to the amendment which I have offered, which is cosponsored by the distinguished senior Senator from Michigan [Mr. MAGNUSON], the chairman of the Committee on Commerce, which has jurisdiction over all measures related to the fishery; and by the Senator from Oregon [Mr. MORSE], the Senator from Maine [Mr. MUSKIE], and the Senator from Texas [Mr. YARBOROUGH]. The purpose of the amendment is to authorize the President to use the trade power given him under the bill for the purpose of conserving our fishery resources. The approach employed by the amendment is direct. It amends section 252(b) of the bill by adding two conditions under which the President may suspend trade concessions granted other nations. The amendment would permit the President after public hearing and within his own discretion to withhold trade concessions if he determines that a country is engaged in practices which tend to defeat our efforts to conserve fishery resources or if he determines a country is taking any action contrary to the principles of international law to harass U.S. fishing vessels on the high seas. In addition, the amendment supplements the present authority given the President under the trade bill by adding the power to adjust imports of products of a country thereby permitting the use of import quotas or embargoes.

Mr. President, this amendment was submitted and referred to the Committee on Finance 6 weeks ago, giving a full opportunity to assess the merits of the proposal. At the time the amendment was submitted a clear record was made of the need for this amendment. In joining me when offering the amendment the Senator from Washington [Mr. MAGNUSON] stated:

Surely the United States, which has a deep interest in fisheries and international waters, and which is a country that practices conservation, should have authority to allow the President to do what he can to persuade and influence other nations to do the same, and if necessary, to do it through economic sanctions.

I fully concurred with the Senator from Washington.

At the time the amendment was submitted I pointed out that the United States is an important market for foreign fish products, that we likewise are an important fishing nation. I felt then, as I do now, that it is imperative that we insist upon proper conservation of our fisheries and those international fisheries upon which we rely. We will be judged harshly if we, through inadvertence or for any other reason, give trade incentives and thereby encourage foreign governments to violate sound conservation practices, to overfish areas and stocks of fish and to use fishing gear and techniques contrary to proper conservation.

I pointed out then, and I do so again, that this is not merely an Alaska local problem. It is a serious matter of concern for the entire fishing industry of the Northwest, for the California tuna industry, the gulf coast shrimp industry, and the important fishing industry off the east coast. On numerous occasions my colleagues and I have pointed out with alarm the recent efforts on the part of not only Japan but Russia to accel-

erate their fishing efforts on the high seas.

The attention of the Senate, of the Nation, and, indeed, of the world was most forcefully called to this situation only a few months ago by the distinguished junior Senator from Massachusetts [Mr. SMITH], who is now presiding over the Senate, in one of the most logical speeches that it has ever been my privilege to hear.

We would not be alarmed if this effort were directed only at tapping heretofore unharvested resources but such is not the case. Attention was also called to the ineffective efforts by our State Department to protect our own fishermen from harassment in the Gulf Coast and off Central and South America. Additional instances have been reported this month. At the close of my remarks when introducing this amendment I stated that so long as we do nothing to protect the rights of our fishermen on the high seas, we can only expect further aggression and further oppressive acts against our fishermen from foreign governments.

To avoid possible misjudgments as to the merits of this amendment, the Senator from Washington [Mr. MAGNUSON] and I wrote the Director of the Bureau of the Budget and the Secretary of State advising them of the importance of the proposed amendment and soliciting their favorable consideration. In the letter we pointed out that the amendment is consistent with the purposes of the bill. It would encourage the expansion of foreign trade in fishery products by assuring the conservation of our fishery resources and defending our fishermen on the high seas. If our fishery resources are exploited foreign trade in fishery products will decline. We warned in the letter that our fishery resources will be devastated by a blind continuation of the sudden and tremendous surge by foreign governments on to the high seas with technologically advanced fishing vessels and gear. As evidence of this rush we cited that the world catch of fish increased 33 percent from 1955 to 1960. Just within the past 10 years Japan has entered the North Pacific to catch salmon on the high seas and has moved into the Bering Sea with factory ships in search of bottom fish. Research scientists have forecast that bottom fish resources in the Bering Sea will be destroyed within 10 years if adequate conservation practices are not followed by all Nations engaged in the harvesting of these rich resources. We will then be faced with the same bleak situation now threatening the bottom fish resources of the North Atlantic. Russia, too, has launched its commercial fishing fleet around the globe searching out the fishery resources off George's Bank, the Bering Sea and into the Gulf of Alaska.

As a dramatic illustration of the deterioration of the U.S. position in world fisheries, attention should be given to a recent report by the Bureau of Commercial Fisheries indicating that the United States held second position only 10 short years ago and, as of 1961, had backed down to fifth position, bowing to the more energetic efforts made by Communist China, Peru, and the Soviet Union. These facts were first called to our attention in this Chamber, so far as I know, by the junior Senator from Massachusetts [Mr. SMITH].

We stated that the amendment is consistent also with the organizational structure provided by the bill, in which wide discretion is given the President to solve these complex and interrelated problems. A broad range of economic responses must be available to the President, so he can tailor the remedy to meet situations involving any particular country at any time in the future.

In summary, we believe it obvious that there is a serious threat to our fishery resources, that the proposed amendment provides an effective answer to the problem, and that there is a direct relationship between fishery resources conservation and trade.

Mr. President, only 2 weeks ago the Department of State informed me that the Finance Committee had been notified that the administration considered the amendment unacceptable. In opposing the amendment the State Department informed me that fishery conservation is unrelated to trade agreements, and that there would be a risk of retaliation against our exports if the amendment were to be adopted. It was also stated that legislation independent of the trade bill was being considered, in order to accomplish the purposes of my amendment.

Mr. President, if my amendment is unacceptable to them, I should like to make it a matter of public record that their position is unacceptable to me. It is a further example of the disregard of the State Department of all our fishery problems.

I am perfectly willing to run the risk of commercial trade concession retaliation in order to conserve our public fishery resources. I presume that the President would use discretion in the exercise of such power. Under Secretary of State Ball testified before the Senate Finance Committee that military, economic, and political pressure had been exercised on other countries, to persuade them to adopt our concepts of commercial trade negotiation. If we are capable of such dedication and international leadership in this area, can we not use trade power to protect in a responsible manner our fishery resources? I believe it may be a matter of priority; and I, for one, place fishery conservation extremely high on my list of national goals.

Mr. President, the difference between fish and so many other products is this: Once fish are gone, they are gone forever, and are lost both to the United States and to all other nations in the world.

On first impression, the response of the State Department may sound genuine. What, it asks, has international trade to do with fishery conservation? My answer is that international trade sanctions have been recognized for years by prior administrations, and even by this administration, and on numerous occasions by Congress, as the only effective means of safeguarding fishery resources. Why? The answer is clear. Fish move in and out of territorial waters and on the high seas. Salmon return to the inland streams to spawn. Conservation practices may be regulated, therefore, only by international agreement; and international agreements, like other agreements, can be secured and enforced only when adequate sanctions are available. Traditionally, trade sanctions have proved most acceptable and effective. This is a valid and traditional use of trade power. I call attention specifically to trade sanctions found in our legislation protecting our halibut resources.

Mr. President, I stated that the present administration has recognized that trade sanctions are required in order to protect fishery resources. I refer to the legislation, introduced in the 87th Congress, at the request of the State Department, to amend and strengthen the regulation of tuna on the high seas.

On September 14, 1 year ago, the Secretary of State wrote the Senate, requesting an amendment to the Tuna Convention. Sounding as if he represented Alaska himself, Secretary Rusk called for urgent action on his legislative proposal, so as to discharge the U.S. "general responsibility to the international community to follow sound conservation practices with respect to high seas resources." I shall not quarrel with that. I ask only that we do it. The letter from the Secretary of State included a draft of a bill which, among other things, provides:

> That upon the promulgation of any such regulation and upon notification thereof, the Secretary of the Treasury shall promulgate regulations to limit or prohibit the entry into the United States, * * * of fish of species covered by the convention and taken from convention waters. Any such regulations to limit or prohibit the entry of such fish shall require the concurrence of the Secretary of State.

So we find that 1 year ago the Secretary of State proposed the use of trade sanctions, under his close supervision, to conserve tuna resources found and taken primarily in tropical Pacific waters. Japan is the world's exporter of tuna. This administration, as well as others, has recognized the necessity of assuring fishery conservation through the use of trade sanctions.

Mr. President, I also call attention to the numerous bills, which I and other Senators have sponsored, which would place a restriction on the importation of fishery products from countries which violate salmon conservation efforts in the North Pacific.

When I first came to the Senate, I introduced an Alaska salmon bill which in substance would do for Bristol Bay salmon what my present amendment would do for all fishery resources. That was in the 86th Congress. Hearings were held by me and by other Senators in Alaska and elsewhere. On May 6, 1959, the State Department wrote the Senator from Washington [Mr. MAGNUSON], chairman of the Committee on Commerce, expressing opposition to the bill, and giving five reasons why the bill would be ineffective, inappropriate, and, in fact, would endanger the free world's stake in the Pacific. The Department

concluded that "overall U.S. interests will be served by continued discussion of the problem"; of course, the Department added "through appropriate channels." The Senate committee continued to discuss the matter, and attempted without success to locate "the appropriate channels." I may add, Mr. President, that the Federal Trade Commission replied, in its report on the same bill, as follows:

It does not appear that there is any useful comment which we can furnish.

I commend this for the consideration of other agencies and departments as possibly an appropriate response in regard to similar legislation.

My bill died at the close of the 86th Congress. Upon the convening of the 87th Congress, the Senator from Washington [Mr. MAGNUSON] introduced a similar bill to protect the North Pacific salmon. Companion bills were again introduced in the House. Last week, near the close of another Congress, after another 2 years of discussion of the problem through appropriate channels in the State Department, another Department report on the bill was filed. The situation has changed. The Department does not now oppose the bill because of the previously alleged disastrous effect on the free world's position in the Far East, but the Department opposes it now because it argues that the U.S. position at the bargaining table would be gravely weakened by the enactment of the bill, because the Japanese took fewer salmon last year than they took earlier, because the Bristol Bay salmon are only a small part of the total Pacific salmon run, and because Japan is a friend.

The State Department position was directly refuted by the Director of the Bureau of Commercial Fisheries in his testimony before the House committee on the same bill the following day. He testified that the availability of trade sanctions strengthened the position of the United States in international negotiations to protect our fishery resources. The Director stated:

We believe that it need not hurt or harm our trade relations with Japan or any other country, that it simply insists that other countries carry our conservation programs with somewhat the same degree of thoroughness that we do. We believe it will be an effective tool for the United States.

In answer to a direct question as to whether having the power to employ trade sanctions would hinder negotiations, the Director stated the Department of the Interior felt that having this trade power would actually strengthen its position. In answer to a question, he said there have been other precedents for the use of trade power to enforce fishery conservation.

During the testimony the Director of the Bureau of Commercial Fisheries clearly explained the impact of Japanese fishing in the North Pacific on our salmon conservation efforts and flatly stated that no effective regulatory conservation program for Bristol Bay salmon was possible under the present conditions. The Director was also able to point out how the Japanese catch of Bristol Bay salmon had increased during recent years, starting from nothing 10 years ago, rather than the picture being that it has decreased in recent years, as suggested by the State Department witness the day before. He pointed out that the Bristol Bay red salmon run is the largest in the world and alone accounts for 10 percent of the total North American salmon run.

Let us make no mistake about the importance of the Bristol Bay fishery. There is a heavy plant investment. Thousands are employed annually in the fishery, in the plants ashore and in fishing. Over the years the aggregate commercial value of the pack has been close to a billion and a half dollars.

I mention these details as evidence of what I consider to be a general pattern of disregard by the Department of State for our fishery resources. I know they are loyal; I know there are among their numbers some who consider fishery resources as a top priority. I know also that the State Department is often criticized for local consumption only. But these facts should not shield them. When asked to support my amendment to the trade bill, they answer it is not germane, while the facts are that foreign trade sanctions have been the traditional means by which fishery conservation agreements have been enforced and our fishery conservation efforts furthered. The State Department asked for additional time for study, while, in fact, legislation has been introduced and has died in more than one Congress awaiting an affirmative solution or response from the State Department. The State Department said that separate legislation was being considered to accomplish the purposes of my amendment, and yet when confronted 10 days later with separate legislation, similar to that which I introduced 3½ years ago, which would accomplish the same purpose for our North Pacific salmon, they not only opposed the legislation but inaccurately suggested that the Japanese fishing effort at Bristol Bay has in recent years decreased and argued that the availability of trade sanctions would weaken our position at the bargaining table. The State Department testified that a strong fishing industry is required by Japan and that we must not embarrass our good neighbor and must keep our relationship with Japan free of avoidable irritations. Mr. President, I acknowledge our existing friendship and the rightful place of the Japanese in our line of defense against communism. I would be the last to withhold support of Alaska's Pacific neighbor. But, Mr. President, I do not think it is fair, I do not think it is just, to place upon the Bristol Bay fisherman the burdens of our international commitments to this Nation. If aid is needed, I will support it as I have in the past. If trade is to be expanded, I will applaud it. But, if, unilaterally, Alaskans are expected to stand by and observe quietly the exploitation of fishery resources upon which they depend, I loudly, consistently, and sternly object.

While other important Western fishing nations subsidize their fishing industry as we do our farmers, we not only refuse to support our fishermen but are internationally too shy to even want to possess the authority to employ trade sanctions on a broad base to conserve our fishery resources. This position is indefensible. It is advanced from a position of weakness, refusing assistance or even strength itself, afraid of retaliation, lacking confidence in one's own exercise of power, hoping sympathy and friendliness will prevail. In our affluent society we have surpluses of wheat, stockpiles of zinc, and an excess of little men.

Mr. President, at the hearings on the Alaska salmon bill in the House last week, there was advanced for the first time by the administration, through the Department of the Interior, a constructive proposal to protect the Alaska Bristol Bay salmon. This session of Congress is rapidly closing. For purposes of expediting the full consideration of this subject early next session, a bill will be introduced this week by the Senator from Washington [Mr. MAGNUSON] and me incorporating the revised draft of the bill as suggested by the Interior Department. I was pleased to note that this revision follows the approach of my amendment, in that broad discretion is given to employ a wide range of trade sanctions, rather than requiring an absolute embargo.

I would much rather that legislation of broader scope than that of the bill to be introduced later this week be considered and adopted, because if such a proposal is adopted, it will have impact only on a local problem, serious as it is. I should like to have legislation along the lines suggested by this amendment, which would cover all of our fishermen everywhere. They are entitled to the protection of the U.S. Government.

Mr. SMITH of Massachusetts. Mr. President, will the Senator from Alaska yield?

Mr. BARTLETT. I yield first to the Senator from Ohio. Then I shall gladly yield to the Senator from Massachusetts.

Mr. LAUSCHE. Mr. President, I commend the Senator from Alaska for his very clear presentation of the issues involved in his amendment. He has presented the issues objectively and given both sides of the argument, thus making it possible for Senators who are not intimately familiar with the problem to understand what is involved. I listened with great glee and fascination to the Senator's description of the issues involved in the amendment.

Mr. BARTLETT. I thank the Senator.

Mr. President, I am glad to yield now to the junior Senator from Massachusetts.

Mr. SMITH of Massachusetts. Mr. President, I thank the Senator from Alaska for his remarks this afternoon concerning conservation. There is no doubt that we must pay constant and close attention to the enforcement of our fish conservation agreements in the Atlantic and Pacific Oceans.

This problem is probably most severe in the North Pacific Ocean. As the Senator from Alaska and his west coast

colleagues know all too well, there are salmon runs originating in American rivers that could be wiped out in a single season if conservation regulations were to be ignored.

Although the situation on the east coast is not quite that drastic, our North Atlantic fishermen are still faced with some serious conservation problems. Twelve nations now fish in the North Atlantic. They are led by the Soviet Union, which has developed fishing techniques that can sweep an area absolutely clean.

The supplies of fish in the North Atlantic are not unlimited. There are conservation agreements already in effect covering some species between the member nations of the International Committee for North Atlantic Fisheries. I have asked the Bureau of Commercial Fisheries to undertake studies that would permit a similar agreement to be drawn up for whiting. Possible conservation treaties for other species of fish were also discussed at the recent June meeting of this group.

It is clear that more must be done in this area. Last week, the Senator from Washington [Mr. MAGNUSON] presented to the Senate a resolution asking the President to call an international conference to discuss the conservation of fishery resources. This resolution, which was also sponsored by the Senator from Alaska [Mr. BARTLETT], my colleague from Massachusetts [Mr. SALTONSTALL], and myself, represent, I feel, an important step toward giving this problem the worldwide consideration it needs. At a conference of this sort, there would be an opportunity to discuss new conservation programs, not to mention better enforcement for the present agreements. Work could also be done to locate fishing areas and species in advance which could become critical and to prepare agreements to cover those areas.

I feel this is an excellent resolution, and I hope that Congress will give it earliest consideration. I would also like especially at this time to thank the Senator from Alaska [Mr. BARTLETT] and the Senator from Washington [Mr. MAGNUSON] for the constant attention they have paid to the vital problem of conservation. The problem is becoming more critical every passing day. I thank the Senator from Alaska for yielding to me.

Mr. BARTLETT. Mr. President, I note that the chairman of the committee, the senior Senator from Washington [Mr. MAGNUSON] has now entered the Chamber.

Those of us who serve in the Senate and in the House of Representatives, and who are concerned about the problem, who recognize its quite considerable importance, who feel that if something effective is not done the fish population will be destroyed, who see the demand growing worse, and who are perhaps I say immodestly, in the forefront of the effort, even if we have not been too successful in it, will miss the presence of the junior Senator from Massachusetts in the next Congress. He has been a leader in this endeavor. He has been a tower of strength. He not only knows what needs to be done, but also wants to do something about the problem. I know I speak not only for myself, but also for many other Senators, in saying that for this reason and for many other reasons we wish the Senator would be around next year.

Mr. SMITH of Massachusetts. I thank the Senator from Alaska.

I wish to point out one further aspect. We have seen the problem develop in other fields. We know that if steps are not taken in this regard there will be a great loss to the fisheries production of the future.

I thank the Senator from Alaska.

Mr. BARTLETT. I thank the Senator from Massachusetts.

Mr. President, in the light of the legislative situation, in an effort to be entirely realistic, in further consideration of the fact which I noted during my address—that before the week is out the Senator from Washington [Mr. MAGNUSON] and I will introduce a bill with the amendments suggested by the Department of the Interior—I withdraw my amendment.

Mr. MAGNUSON. Mr. President, I commend the Senator from Alaska and the Senator from Massachusetts on this particular amendment. I see nothing wrong with it. It would merely provide, in effect, that if some nations do not practice conservation on the high seas fisheries the President would have the right, any time he deemed it desirable to do so, under justifiable circumstances, to impose some sort of quota or restriction upon the importation of certain fish products.

If we do not do something like this, in less than two generations, in perhaps 20 years, there will be no fish on the high seas. It is high time we did something about the problem.

I have recently returned from home. In fact, I arrived about an hour ago.

I understand that the purpose of the withdrawal of the amendment is that the subject will be considered in the form of a resolution, which will be considered by the proper committees. I understand the leadership on both sides will be glad to undertake some action on this problem, perhaps before the session adjourns; perhaps by the consideration of another resolution which the Senator from Alaska and I are sponsoring, which would provide that the President immediately, or as soon as possible, initiate an international conference for conservation of the fisheries of the high seas.

The junior Senator from Massachusetts is in the Chamber. As I stated the other day, I am sorry he is leaving us. Today the voters of Massachusetts will decide who will succeed him, or at least who will be the nominee.

I know of no one who would be better qualified to serve on the conference on behalf of the United States than the junior Senator from Massachusetts. I hope the President will consider him in respect to the appointment.

This is a very serious problem. The amendment does not affect the concept of the trade bill one iota, in my opinion. We are merely suggesting that the international fisheries, which have become paramount in importance throughout the world, must be conserved. Someone must practice conservation, or we shall find that the fisheries of the world will soon be completely depleted.

That is what I do not like about the withdrawal of the amendment. I understand the legislative picture. I am hopeful that we can have some cooperation—as I am sure we will—and that we can start to make some move so that there may be an international agreement on the conservation of the fisheries of the high seas. I am sure the Senator from Massachusetts agrees with me in that regard.

Mr. SMITH of Massachusetts. Mr. President, I thank the able Senator from Washington for his very kind remarks. I know that he and the able Senator from Alaska [Mr. BARTLETT] will continue in their determined efforts in this particular area. I am sure that in the future we can look forward to great success.

Mr. MAGNUSON. Mr. President, we may have a conservation program with respect to other natural resources, but fisheries is one natural resource that has been a kind of orphan. I agree with the Senator from Oklahoma [Mr. KERR], the Senator from Montana [Mr. MANSFIELD], and other Senators that we ought to conserve all of our natural resources. No one has been more devout in his attention to our natural resources than has the Senator from Oklahoma.

Mr. MANSFIELD. The same devotion applies to the Senator from Alaska [Mr. BARTLETT], the Senator from Washington [Mr. MAGNUSON], the Senator from Massachusetts [Mr. SMITH], and other Senators who have led the fight for the conservation of our fishery resources.

Mr. BARTLETT. We want the fish to be swimming in the waters in and around our country long after we are gone.

Mr. MAGNUSON. If we do not act promptly and our practices continue as they have been, in the next 15 or 20 years there will be no fish for anyone in the world.

Mr. BARTLETT. Mr. President, reluctantly I withdraw my amendment.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that Myer Rashish, of the executive department, be given the privilege of the floor during the discussion of the trade bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SMATHERS. Mr. President, ever since the close of World War II, this country has cruised easily along the rails of economic prosperity in comparison to the rest of the world. We had productive strength and natural resources unmatched by any other nation. We had gold reserves so vast that we had little need to worry about our world credit position. We captured world markets by default, because only we could supply their demands. There was little need for the Government to take action to protect the dollar or to open the way for our exporters.

In 1962, our situation is considerably altered and much more complex. We are still prosperous, and our productive

economy is still in healthy shape. But in comparison to the rest of the world, we are no longer the towering economic colossus that we once were. We have grown, but others, particularly in Europe, have grown more rapidly. Our producers are beginning to feel the pinch of their competition in the world marketplace. Our gold reserves, though still high, have recently dropped so steadily that we are now forced to take a more cautious view of our balance-of-payments deficits.

This is not a signal for alarm and pessimism, but it is a call for realistic and creative action. We no longer live in an age where we can sit by and passively watch our prosperity mount; we must act energetically to promote it. That is the spirit in which the Trade Expansion Act of 1962 is cast, and that is why I earnestly support it.

This bill recognizes and provides for the urgent needs of American workers, farmers, and businessmen if they are to expand, in numbers or even to maintain, their competitive position in the markets of the world. It looks to the growth of our economy in one of its most promising but least tapped areas—export trade. It puts the Communist leaders on notice that the free world countries far from collapsing in internal hostility, can break down the economic barriers that divide them, and as a result shore up their individual strength and their sense of unity.

The Trade Expansion Act is a sign of this country's frank awareness of an acute economic problem, and of our willingness to deal with it constructively. We have demonstrated this before, when we undertook the Marshall plan to revive the crumbled economies of postwar Europe. Now it is our own producers who need help and our own economy that we may boost, through the legislation now before us.

Let me focus briefly on the single greatest trading challenge which Americans face today, which also happens to be an area of some of the greatest trading opportunities which this bill is designed to open up. That is the European Economic Community, or Common Market.

In 1957, six Western European nations—France, West Germany, Italy, Belgium, the Netherlands, and Luxembourg—pledged themselves by treaty to harmonize their economic policies, to seek a supranational political structure, and to establish free trade among themselves.

All these purposes promote the stability of Western Europe and reinforce the strength of the whole free world. But, the last objective—internal free trade—is the one that affects the United States most over the short term. The Common Market countries are now in the process of abolishing all tariffs on trade across their internal borders. At the same time they are adopting common tariff barriers on goods entering from the outside. Just as we Americans possess a free market among our 50 States and our 185 million people, the Europeans are establishing a free market among 5 countries and 170 million people. With the addition of countries like Great Britain and others that have applied for membership, the Common Market is likely to swell to a population of 250 or more and to cover almost all of Western Europe.

Its economy is already booming. Since the EEC's formation, the gross national product of the six members as a whole has grown by about 5 percent per year compared to our own growth of barely 3 percent; their industrial production alone has increased by 7½ percent annually. Current forecasts look to a 50-percent expansion of the Common Market's economy in the next 10 years.

These developments are of vital importance to American export trade. Last year we sold over $3½ billion worth of U.S. products to the six Common Market countries, and almost $6½ billion to Western Europe as a whole; $6½ billion was one-third of our total exports to the whole world, which came to about $20 billion.

We are now faced with the choice of taking action to provide for our producers, access into the vigorous economic expansion of Europe or of standing idly back and watching our European export trade stagnate or even diminish. As internal tariff barriers within Europe are gradually lowered—and they will have disappeared entirely sometime before 1970—U.S. exporters will find it more and more difficult to penetrate the European market. Their European competitors within the Common Market will have the advantage of duty-free treatment throughout the EEC area, while U.S. goods must continue to pay the tariff that the EEC countries will levy on imports from nonmembers.

Here is just one example of the competitive disadvantage that we face. A European distributor looking for a producer of ball and roller bearings would pay no duty if he chose German or French bearings, but he would be charged an 18-percent tariff if he bought bearings from the United States. That is $1,800 on every $10,000 order—$1,800 worth of inducement to do business with our German or French rivals.

The same sort of disadvantage lies in store for our exporters of almost all other industrial products we currently sell to the Common Market. We will pay a tariff while European producers can distribute their goods duty free.

This prospect also applies to our farm products, which totaled over $1 billion in world exports for our Western States as a whole. The Common Market, which is a major outlet for our agricultural exports, has adopted a common agricultural policy that establishes a competitive edge against nonmembers' imports for a variety of products. For some—wheat, feed grains, poultry, pork, and probably rice—a variable levy system will permit frequent adjustments in the Common Market tariffs in order to support commodity prices within the member countries. Fruits and vegetables, which are major exports from Florida, are not presently subject to this variable levy system, but if the Europeans experience difficulties with their price support systems, internal pressure may develop to treat them in this way, too.

These are, very briefly sketched, the facts of our trading relations with the Common Market. To be realistic, we must realize that if we fail to take action, our commercial position in these important European countries is going to become much tighter over the next few years as their preferential tariff arrangements are implemented further and further. The penalty for hobbling this bill with unnecessary restrictions will be to watch the gradual choking of American export industries by tariff disadvantages.

Our entire Nation's economy has a $20 billion stake in exports which we must protect. And in Florida alone, we sold nearly $300 million of our products abroad in 1960. Our fruits and juices and agricultural products are world famous, yet as I mentioned they are threatened with increased tariff levies in the Common Market, one of their best outlets. Our Florida chemical industry exported more than $50 million worth of its goods in 1960. Some of the best markets for U.S. chemicals have been West Germany and the Netherlands, where the tariff disadvantages I described will soon be coming into full force. Paper products and food products industries in my State also rely heavily on exports: I know of one large Florida firm making woodpulp, whose foreign sales recently have been accounting for 40 percent of its entire pulp business.

We here in Washington cannot do these companies' business for them; we cannot insure their success in foreign trade. But what we can do, and what they should expect us to do, is to help remove the official barriers that bar their products from the international marketplace. We can strive to give them access to foreign countries. After that, their own competitive ingenuity must take over, as I am confident that it will.

This bill would unlock that ingenuity. It would help free American enterprise from the artificial restraints that it faces, particularly in the Common Market.

Our representatives have already consulted with the EEC on these tariff problems, and they have said they would be willing to make substantial reductions of their common external tariff rates, provided we offer significant tariff cuts on our side in exchange.

If we can persuade the Common Market to eliminate or nearly eliminate their external tariffs on some of our major exports, this would tend to erase the competitive edge against us that I described earlier. Our exports would be treated on substantially the same tariff footing as European products, and our sales within the Common Market—already $3½ billion—could be expected to expand rapidly in the wake of surging European development. Demand is rising rapidly as affluence invigorates European capitals once again, and this demand must be filled to a considerable extent by imports. Industry is operating at full capacity in Europe, and there

is an acute shortage of labor in many areas. As long as American products are not blocked by a tariff, they will naturally flow into this area in greater and greater numbers.

We have powerful reasons for trying to reap this opportunity. Our basic economic problems are in some respects the opposite of those in Europe. Important segments of our industry are functioning at less than their full potential, and instead of a shortage of workers, we have a shortage of jobs. About 4½ million Americans are currently unemployed.

Any increase in our exports creates jobs in our economy that were not there before. An estimated 150,000 new jobs are formed by each extra billion dollars of exports we manage to sell. This admittedly not a huge dent in our unemployment situation, but when you have 5½ percent of your citizens out of work, every contribution helps. New orders from abroad also help take up the slack in our productive enterprises, and they stimulate our rate of growth, which has been lagging at about 3 percent. Finally, expanded exports are the best tool we have for repairing our balance-of-payments deficit, which last year came to about $2½ billion and threatens to undermine the strength of the dollar as the free world's most important currency—unless we can raise our income from overseas.

This act would give our Government the authority to enter into the major negotiations with the Common Market and with others as are now required to obtain significant concessions from our trading partners all over the world by offering reciprocal concessions in exchange, to take the lead in a gradual dismantling of trade barriers in order to promote broader commerce and closer unity among the nations of the free world.

Unity among the free world nations is now more important than ever before, as the Soviet bear growls with menace to various sections of the world. Mr. Khrushchev has challenged us openly to a contest of trade and economic growth. He is convinced, apparently, that the capitalist world will tear itself apart by economic rivalry among its nations.

Speaking through this bill, we can once more give the lie to his cocky historical predictions. We can demonstrate the spirit of open competition and economic cooperation that prevails in the West. For this bill not only provides for the growth of the American economy; it enables us to take a long step in breaking down the barriers that separate our markets from Europe's. Mr. Khrushchev has only recently laid bare his annoyance at the extraordinary success of the Common Market. The gross national product of the United States and Western Europe combined is twice that of the Sino-Soviet bloc. If we can work together in harnessing this tremendous economic energy, we will not only dwarf the Soviets in their pretensions of the economic supremacy of their system, we also equip ourselves to help insure the independence and prosperity of the entire free world.

Trade is no minor weapon in the competitive struggle we now wage.

The strategy of the Communists today, as you know, is to divide and conquer. They have already attempted to split off the less developed countries by increasing their trade with these nations 210 percent since 1954.

In addition to expanding our trade with the Common Market, we look forward to trade and tariff negotiations with other free world countries—not only our major trading partners like Japan and Canada and other Commonwealth members, but with the less developed nations of Asia, Africa, and Latin America. These countries are in the process of rapid economic expansion; they need the industrial and consumer goods we can supply, and they need the foreign exchange to be earned from sales of their own goods in countries like the United States. Working through the medium of international trade, we help bolster their development and strengthen their resistance to Communist encroachment.

Mr. President, the most absurd charge that has been leveled at this bill is that it is a giveaway, that it is a gesture toward international cooperation taken at the expense of American producers. On the contrary, the Trade Expansion Act is constructed on hard economic realism. It lowers none of our tariffs unilaterally, but looks to negotiating sessions where by tough bargaining the United States obtains the foreign trade concessions we need in return for equivalent concessions on our side. It thus provides realistically for coping with the growing competitive challenge to American export industries, which we can ignore only at our peril. It shows a hardheaded awareness of the economic threat to the entire free world from the commercial infiltration of the Communist bloc. And for the first time in our legislative history, it sets up realistic provisions to assist domestic industries which may be temporarily injured by a trade policy pursued in the overriding interest of the Nation as a whole.

Realism is the keynote of this bill, and let us look at the import problem realistically. In the first place, we import only $15 billion of goods compared to the $20 billion we export. Of the $15 billion that we import, only about $5 billion are actually competitive with American products. The rest are goods that we do not produce here at all, or do not produce in sufficient quantity to meet our needs. So the competitive difficulties created by imports are far less serious than they are often painted, and our volume of competitive imports is vastly outweighed by our export production.

Now let me say a few frank, realistic words about tariff negotiations. When we sit down at a table to try to obtain major tariff concessions from our trading partners, we must offer something in exchange. We do not offer more than we get.

In fact, in recent tariff negotiations the United States has obtained concessions on a greater volume of trade than that on which it has given concessions. But we must be prepared to offer substantial reductions in some of our tariffs in order to get the reciprocal foreign cuts that we urgently need.

In the past, we have said piously that tariff concessions would be made in such a way that no domestic industry would be injured. Such assurances are easily offered, but impossible to uphold. Who can accurately predict what results may flow in the future from a tariff concession? Of course precautions will be taken not to wreak disaster on domestic industries, and with the broad safeguards created in this bill, I am confident that these precautions will be effective. But if we are realistic, we must make provision for assistance to those isolated industries or firms or workers who undergo temporary hardship as a result of increased imports resulting from mutual tariff concessions.

That is the reason why a program of adjustment assistance for firms and workers has been added to the tariff relief available in the past to industries that encounter injury. This assistance—in the form of loan, technical and limited tax assistance for firms and retraining and adjustment allowances for workers—would be given in a form and amount suited to their particular difficulties, and carefully designed to help a firm or group of workers rehabilitate its own competitive strength and regain its earning power. This is the most constructive, useful form that protection can take, and it is a valuable addition to the tools with which we can relieve cases of import-injury.

One final word about the safeguards established in the bill. There has been much talk about the new peril-point provision, which calls for the Tariff Commission to make exhaustive studies of domestic industries whose goods are contemplated for future tariff reductions.

Here again the issue is realism. The old peril-point provision required the Commission to set precise levels below which tariffs could not be reduced without, in its judgment, producing serious injury sometime in the future. This was an impracticable, unavoidably arbitrary exercise. We are fooling ourselves if we think that anybody, however competent, could foresee the future developments in consumer demand, technological improvements, new styling, and the like that determine the health or illness of an industry.

In preparations for the recent tariff negotiations, the Tariff Commission found that for nine articles, the U.S. tariff already was below what it considered to be the peril point. Under existing law this required the automatic instigation of the 6 months maximum escape clause investigation, whether or not the industry involved demanded it. But in this investigation, the same Tariff Commission found that for six of these nine articles, no tariff relief was justied, that is, found that the original fixing of precise peril points had been erroneous.

The Tariff Commission itself has favored the new peril point provisions as more realistic than the old. Under the new arrangements the scope of the Commission's prenegotiation studies is greatly broadened. The old peril-point provisions meant that the President entered into tariff negotiations armed with no analyses by the Tariff Commission except its suggestions of minimum tariff rates for each item. There was no analysis in depth of the industries themselves or of their possible import difficulties, as the bill before us would provide for. A bare list of suggested numerical points can hardly be said to provide the President or his chief negotiator a very sophisticated knowledge of U.S. industries on which to base his decision as to which tariffs may be reduced. In contrast the Tariff Commission under the new bill will collect and interpret relevant economic data and bring to bear its experience and judgment to produce advice which is meaningful and usable.

Mr. President, I have tried to point out with frankness some of the realities which underly this bill: the very real difficulties faced by American exporters if we cannot obtain adjustments in foreign tariffs, the pressing commercial challenge of the Communists, the need to face up constructively to the problems of those domestic industries or firms that find themselves sensitive to import competition. I believe that this bill addresses itself creatively to all these problems. It does so largely through a delicate balance between, on the one hand, the urgent need to help the millions of American workers, farmers, and businessmen who rely on our export trade and, on the other, our desire not to permanently dislocate other American industries. I hope that the Senate will not disturb this balance with amendments which may help a few of our citizens, but only at the expense of harm to many others.

Mr. SMATHERS. Mr. President, I offer an amendment, which I send to the desk, and ask to have stated.

The PRESIDING OFFICER. The amendment of the Senator from Florida will be stated.

The LEGISLATIVE CLERK. On page 63, line 5, after the word "law," it is proposed to strike out the comma and all that follows, through line 10, and insert a period.

Mr. SMATHERS. Mr. President, in explanation, the amendment is a technical corrective amendment which reflects that which the Senate Finance Committee thought it was doing. Upon consultation with some of the technicians, we find that there is language now in the bill, which we seek to have stricken, which would in some major respects change the intent and purpose from that which we sought to accomplish. I have checked with the able chairman of the committee, the Senator from Virginia [Mr. BYRD], the ranking Democrat on the committee, the Senator from Oklahoma [Mr. KERR], the ranking Republican member of the committee, the able Senator from Delaware Mr. [WILLIAMS], the Senator from Nebraska [Mr. CURTIS], and other members of the committee, and we all agree that the amendment should be adopted.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. SMATHERS. I yield.

Mr. WILLIAMS of Delaware. I urge the adoption of the amendment. If the amendment were not agreed to we are advised that under the interpretation of the present language of the bill an unemployed person in a State could draw all the State unemployment benefits available to him for the maximum time provided in that State, and then he could be given an additional 52 weeks of unemployment compensation. For instance, some States have available 39 weeks of unemployment compensation; without this amendment the man could draw benefits for this 39 weeks and then claim additional compensation for an extra 52 weeks. Surely this was not the intention of the administration. Therefore the amendment should be agreed to.

Mr. SMATHERS. The Senator is correct. We have been so advised by our counsel. The way the language is now drawn, that would be the result.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Florida [Mr. SMATHERS].

The amendment was agreed to.

MISREPRESENTATION BY NEWSPAPERS

Mrs. SMITH of Maine. Mr. President, every public official must expect criticism—and even unfair attacks based upon personal opinions—particularly from newspapers. Fair criticism based upon fact is constructive and good and leads to improvement.

But criticism based upon misrepresentation is negative, destructive and unworthy of the traditions of journalism. I say this as a former member of the press myself.

And when serious misrepresentations are made in the newspapers they should be corrected by the newspapers—rather than being compounded by a sensitive and defensive attitude of a newspaper covering up the misrepresentations by charging the exposer of the misrepresentations as being unduly sensitive.

It is not merely a matter of defending yourself against serious misrepresentations—but it is also a matter of getting the truth to the people when the newspaper has not given the truth.

Several years ago when serious misrepresentations were made against me by a writer-reporter and a publisher, I sued them for libel. It took me 4½ years to get them to trial—and at the opening of the trial they folded and admitted that the charges they had made were false—they made a full retraction, a public apology and paid damages. What I went through to obtain that correction and the admission of the truth by them was extremely unpleasant. But I felt that it was worth the unpleasantness not just to defend myself but to get the truth to the people.

A less extreme course is to speak up publicly on misrepresentations. It was in that spirit that I set the record straight in a broadcast I made this past Sunday on station WGAN in Portland. I ask unanimous consent to place that broadcast in the RECORD at this point.

There being no objection, the text of the broadcast was ordered to be printed in the RECORD, as follows:

I have been doing this broadcast for May Craig and station WGAN longer than any other person. During that time I have never failed to make the broadcast when it came my time in the rotation among the five members of the Maine congressional delegation.

While I respect the right of any newspaper to have and express its own editorial opinion and its own political preferences, I do believe that a newspaper should base its editorials upon fact rather than misrepresentation and that it should not editorialize in its news columns.

It is in this spirit that I shall use this broadcast to defend myself against the concentrated campaign of the Portland Press Herald, the Portland Evening Express, and the Portland Sunday Telegram—all owned by the same corporation that owns this radio station—their concentrated campaign to hold me up to scorn and ridicule to the people of Maine.

In the short time of 1 week, the editorial pages of these newspapers characterized me as (1) not knowing what it was all about, (2) being asleep at the switch, (3) that the people of Maine did not agree with me, (4) going off the deep end, (5) being egotistical, (6) lacking humility, and (7) that I should be redesignated as Maine's inferior Senator.

The intent of the concentrated campaign was evident in their ridiculing me on the average of once a day for a week—two editorials in the Press Herald against me, two editorials in the Evening Express against me, an observation in the political column in the Sunday Telegram against me, a snide letter topped by a snide headline in the Press Herald against me, and a snide editorializing headline in the Evening Express against me.

They have ridiculed me because I protested against the playing of politics on national defense in the political favoritism of the Kennedy administration in giving defense award information to Democratic Senators far ahead of the official release time set by administrative security.

When I first protested against this type of action a year ago, the White House apologized to me, expressed regret and promised to investigate the unauthorized leakage. When I protested again this year, the Secretary of Defense and the Secretary of the Navy expressed regrets to me and gave assurances that such leakage was in violation of administrative security and that they were doing what they could to stop it.

Yet, the Portland papers seek to hold me up to ridicule for having protested on a leakage system on which the White House, the Secretary of Defense and the Secretary of the Navy have expressed regrets about and consider serious.

The news stories in the Portland papers started off with a misrepresentation that the information leak was given out by the Navy Department. The Secretary of the Navy flatly repudiated this claim—and ultimately, in my search for truth, it was revealed by the United Press International that the news leak came from the White House.

The news stories in the Portland papers ended up with a misrepresentation in a headline stating "Navy Traces N-Sub Tip to White House." This was a headline written by the Portland Press Herald to a news story filed by a United Press International reporter. The UPI reporter writing the story has, in writing, flatly repudiated this mis-

representation by the Portland Press Herald as he has stated that while he found out that the news leak came from the White House—it was not—and I repeat—it was not the Navy that told him. Thus, contrary to the Press Herald headline the Navy did not do the tracing. Orally the UPI reporter identified the source of his information.

There you have it—the Portland papers started the stories with a misrepresentation and ended the stories with a misrepresentation. And in between these misrepresentations they heaped scorn and ridicule upon me.

They sought to characterize me as not knowing what it was all about. Now what is the truth? Well it is this. I am a member of the Senate Armed Services Committee, which took the first action to make the nuclear submarine involved possible—which acted to authorize the building of the submarine—which studied the matter, held hearings on it and reported the authorization bill to the Senate.

Not only that—but I am a member of the Senate Appropriations Subcommittee on Defense, which took the action to appropriate the funds to build the submarine that the armed services had authorized to be built. In other words, in the Senate as a member of the Armed Services Committee and the Appropriations Committee I worked legislatively getting this submarine from start to finish.

How ridiculous can the Portland papers get when they seek to give the impression that I didn't know what it was all about on the submarine.

Next the Portland papers published statements characterizing me as being asleep at the switch—and implying that I could have gotten the information as soon as the other Senator did if I had just asked for it.

How wrong can they get. For the record shows that I first asked for the award information 2 days before the other Senator made the announcement 3 hours ahead of the release time set by administrative security of the Navy Department and the Defense Department—but that I was turned down by the Navy.

How then was I asleep at the switch when I asked for the information 2 days before the other Senator obtained it.

And more than that—I asked for the information a short time after the other Senator was given the information by the White House—and again I was refused by the Navy.

In other words, the Kennedy administration refused to give me the award information both before and after it had given the information to the other Senator.

If that is not playing politics on a national defense matter, then I don't know what is. Yet, the Portland papers in their ridicule of me assert that the people of Maine do not agree with my charge that it was playing politics with national defense.

Who is so all-knowing as to be able to read the minds of the nearly 1 million people who reside in Maine?

If there is any display of egotism or lack of humility in this matter, it would seem to be that of the Portland papers in their claim of reading the minds of 1 million residents of Maine.

I would certainly not claim such tremendous mindreading ability as the Portland papers have in their ridicule of me.

Instead I would let the facts speak for themselves and let the people themselves decide whether the Kennedy administration played politics on this matter of national defense when it refused to give me, a Republican Senator, the award information, both before and after it had given it to a Democratic Senator to give him the privilege of making the announcement.

And because I protested against this policy of the Kennedy administration of withholding information from Republican Senators—and in this case, refusing to give it to a Republican Senator on the committees that handled the legislation on the nuclear submarine—because I protested, the Portland papers editorially ridiculed and characterized me as being egotistical and as lacking humility.

As a member of the Senate Armed Services Committee and as a member of the Senate Appropriations Committee, I have accepted the restrictions placed on me about the release of national defense information. In this instance, because I abided by the restrictions in accepting the Navy's refusal to give the information when I requested it—I was penalized for playing the game straight while the White House was giving the information to a Democratic Senator while denying such to me under the administrative security policy.

When that happens, I do not propose to sit by in silence regardless of what the Portland papers may write about me. This sort of playing politics was never practiced under the Eisenhower Republican administration—contrary to the attempt to explain away this matter with a condoning of obvious politics.

The Portland papers concluded their week of ridicule against me with statements on the editorial page of the Press Herald that I should be redesignated as the inferior Senator from Maine instead of the Senior Senator from Maine.

I shall not dignify that with any attempted refutation. I will leave it to the people of Maine to pass judgment as to whether I am "inferior" or not. They have passed judgment upon me in many, many elections and their verdicts have been very generous.

I would make only one comment on this phase of the Portland papers' intensified campaign of ridicule against me. The characterization of "inferior" made against me was in the same manner as statements of about a year ago on the editorial page of the Portland Press Herald implying that I was responsible for breaking the heart of a man who did not get a rural carrier appointment and thus responsible for his death. It was charged that I played politics in the matter and caused his death.

The truth was that the man failed to pass the open competitive examination given for the appointment. Not only did he fail on the examination but the appointment selection was made by the Postmaster General without any recommendation from me as I refused to make a recommendation.

Let me make it clear that the Portland Press Herald itself did not make the charges against me on the rural carrier matter. But in exercising its judgment of what letters it would publish and what letters it would not publish—it did choose to publish this letter of false and serious charges against me. In doing so, it went far beyond the limits of propriety, ethics, decency, and fairplay.

A year later it repeated its action in the "inferior" characterization letter and with which it collaborated in the headline it composed as a heading to the letter against me.

The Portland papers are entitled to their opinion of me. But their editorials should be based upon fact—and, in their weeklong campaign of ridicule against me, their news columns started with, and ended with, misrepresentations of the real and pertinent facts in this matter. All of these facts have been meticulously brought to the attention of their Washington correspondent—May Craig—to whom I have granted the courtesy of doing this program for 16 straight years at her request.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the following bills of the Senate:

S. 149. An act for the relief of the estate of Gregory J. Kessenich; and

S. 3154. An act to amend Public Law 86-184, an act to provide for the striking of medals in commemoration of the one hundredth anniversary of the admission of West Virginia into the Union as a State.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H.R. 8520) to amend the Soil Conservation and Domestic Allotment Act, as amended, to add a new subsection to section 16 to limit financial and technical assistance for drainage of certain wetlands.

The message further announced that the House had agreed to the amendment of the Senate to the amendments of the House to the concurrent resolution (S. Con. Res. 86) favoring the suspension of deportation of certain aliens.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12711) making appropriations for sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1963, and for other purposes; that the House receded from its disagreement to the amendments of the Senate Numbered 12, 28, 71, 93, 109, and 113 to the bill, and concurred therein; that the House receded from its disagreement to the amendments of the Senate Numbered 72, 92, 95, 96, and 116 to the bill, and concurred therein severally with an amendment, in which it requested the concurrence of the Senate, and that the House insisted upon its disagreement to the amendments of the Senate Nos. 7, 8, and 119 to the bill.

TRADE EXPANSION ACT OF 1962

The Senate resumed the consideration of the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes.

Mr. PELL. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER (Mr. CARROLL in the chair). The amendment will be stated.

The LEGISLATIVE CLERK. On page 11, line 3, after the word "studies," it is proposed to insert the following: "(including studies of real wages paid in foreign supplying countries)" and on line 5, after the word "labor" insert the following: ", utilizing to the fullest extent practicable the facilities of United States attachés abroad and other appropriate personnel of the United States."

Mr. PELL. Mr. President, the whole concept of my amendment is permissive. It is designed to place greater emphasis upon the comparison of wages in our own country with those abroad.

The very establishment of this comparison would be in line with our Amer-

ican objective of raising the standard of living, and, hence, wages throughout the world.

And, by emphasizing "real" wages, all fringe benefits such as lodging, meals, transportation, and medical and pension benefits are included.

In securing this information, no further personnel would be needed at home in our Washington bureaucracy. Rather, it would mean that the excellent network of labor attachés and economic offices abroad would be even more fully utilized than is now the case. We now have labor attachés in 58 countries abroad; and in those countries where a labor attaché is not stationed, we could use the services of our embassy's economic officer. To my mind, economic officers and labor attachés abroad are a remarkably well-informed and able group of men.

So, the preparation of these studies could be done within our present framework, calling for no further increase in manpower or budget. Moreover, no larger home bureaucracy would be created, since the information is funneled directly into the Tariff Commission.

Finally, this amendment would mean that this relative wage information would be readily at hand for the Tariff Commission and the President to consider and evaluate it, arriving at their decisions.

I have discussed the amendment with the chairman of the Committee on Finance, and it is my hope that it may be accepted.

Mr. BYRD of Virginia. Mr. President, I have discussed the amendment with the staff of the committee, and I will accept it and take it to conference.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Rhode Island [Mr. PELL].

The amendment was agreed to.

Mr. CURTIS. Mr. President, I call up my amendment identified as "9–17–62—S."

The PRESIDING OFFICER (Mr. PELL in the chair). The amendment will be stated.

The LEGISLATIVE CLERK. On page 41, beginning with line 9, strike out all through line 15 on page 76 (chapters 2 and 3 of title III of the bill, relating to assistance to firms and assistance to workers).

On page 12, line 19, strike out "351, or 352" and insert "311, or 312".

On page 18, lines 18 and 19, strike out "sections 351 and 352" and insert "sections 311 and 312".

On page 19, line 11, strike out "(e)" and insert "(d)".

On page 30, line 15, strike out "351" and insert "311" and strike out "(f)" and insert "(e)".

On page 33, lines 4 and 5, strike out "AND OTHER ADJUSTMENT ASSISTANCE".

On page 33, line 21, strike out "351" and insert "311".

On page 34, strike out lines 1 through 7.

On page 34, line 8, strike out "(3)" and insert "(2)".

On page 35, beginning with line 15, strike out all through line 25 on page 36.

On page 37, line 9, strike out "(d)(1)" and insert "(c)".

On page 37, strike out lines 14 through 21.

On page 37, line 22, strike out "(e)" and insert "(d)".

On page 38, line 4, strike out "(f)" and insert "(e)".

On page 38, strike out lines 21 through 25.

On page 39, line 1, strike out "(g)" and insert "(f)".

On page 39, beginning with line 8, strike out all through line 8 on page 41 and in lieu thereof insert the following:

"After receiving a report from the Tariff Commission containing an affirmative finding under section 301(b) with respect to any industry, the President may provide tariff adjustments for such industry pursuant to section 311 or 312."

On page 76, line 16, strike out "CHAPTER 4" and insert "CHAPTER 2".

On page 76, line 17, strike out "351" and insert "311".

On page 77, line 4, strike out "(e)" and insert "(d)".

On page 78, line 10, strike out "(e)" and insert "(d)".

On page 82, line 4, strike out "352" and insert "312".

On page 82, lines 8, 9, and 15, strike out "351" and insert "311".

On page 83, line 1, strike out "353" and insert "313".

On page 83, beginning with line 13, strike out all through line 15 on page 84.

On page 85, line 17, strike out "and other adjustment assistance".

Mr. CURTIS. Mr. President, I ask unanimous consent, without losing my right to the floor, that I may suggest the absence of a quorum.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CURTIS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CURTIS. Mr. President, the amendment calls for striking out the provisions in title 3 which provide for assistance to workers and assistance to firms who suffer by reason of imports.

Specifically, the amendment would strike the language on page 41, beginning with line 9, through line 15 on page 76, of the bill comprising chapters 2 and 3 of title 3 of the bill relating to assistance to firms and assistance to workers. These provisions are unjustifiable departures by way of special treatment for firms and workers who may be considered to be affected by the reduction of tariffs.

As to assistance to firms, several dangerous features are involved. The removal of the peril-point provision leaves our industries subject to peril without the escape provisions now provided. Instead, at the whim of a bureaucracy, firms and their workers will be eligible for special assistance.

The decision to grant such assistance is subject to the most general specifications only. To distinguish the firm suffering from the effects of poor management, obsolete equipment, and the wide range of similar factors, from another firm suffering from the effects of a tariff reduction will open a whole new area of administrative discretion.

In any case, very little additional assistance is provided that is not already available under present laws, such as the Area Redevelopment Act, the Manpower Development and Training Act, and the Small Business Act.

But the greater concern with title III if the bill is chapter 3, which provides assistance to workers. This superunemployment compensation program erected on the base of the individual programs of 50 States, can operate only to the detriment of those State programs. It is merely another of many attempts which have been made over the years to federalize the unemployment compensation system and thus standardize it throughout the country.

The benefits provided are substantially higher than those payable to workers unemployed for all other reasons. Yet those reasons may involve just as deliberate action by the Federal Government, taken in the national interest—changes in defense policy, tax policy, minimum wage legislation, and the like.

In addition, no special treatment is proposed for those in service and trade industries who will lose their jobs because the manufacturer is harmed to the detriment of business in an entire community.

Administrators of State unemployment compensation laws who appeared on the bill pointed out the intolerable situation created by having these superunemployment compensation claimants being handled by the same administrative machinery at the same claim counters.

A factory worker might receive $60 per week for 52 weeks because his employer is found to have been harmed by a tariff reduction. His neighbor, an auto mechanic, might receive only $35 for 26 weeks, though his unemployment is just as surely the result of the tariff reduction.

Mr. President, the proposal before the Senate would mean that if a factory closed because of tariff reduction, the employee would get $60, or perhaps up to $65 for 52 weeks; while an employee in a factory which closed because the Federal Government discontinued a defense contract would receive the amount provided by his State law, which perhaps would be about $35 for 26 weeks, on the average.

Because this superbenefit is expected to be needed for an estimated 18,000 workers a year, it must be recognized as a device to highlight the fact that each State now has an unemployment compensation program tailored to its own economy.

The only reasonable answer to these objectionable features of title III of the bill is to omit this title as unnecessary. Not only is adequate relief already available to both firms and workers, but the

new administrative discretion is highly undesirable.

The bill provides for special treatment of workers deemed to be laid off as a result of a tariff concession made in the national interest. If Congress once adopts the principle that the apparent cause of unemployment, rather than the fact of unemployment should be a factor in determining the condition of eligibility, benefit amount or benefit duration, will not we be urged to give special favors for unemployment arising out of other causes? Will not it be just as logical for us to give special consideration to workers who are laid off as a result of other Federal actions in the national interest, such as cancellation of a defense contract for obsolete military hardware? Or for a change in the Federal program of farm price supports? Or a change in tax policy?

Can anyone prove that workers laid off due to tariff concessions are more likely to be out of work for longer periods than other workers unemployed because of automation or technological change? Or because of stiffer competition from other companies in the same line of work—or dozens of other reasons. Anyone thrown out of work for any of these reasons now relies on unemployment compensation in the 50 States for protection against job income loss.

When Congress passed the Manpower Development and Training Act of 1962, it clearly had in mind workers who were laid off due to import competition arising from tariff concessions. This was specifically mentioned in the act, and in the House debates it was referred to repeatedly. However, this new law provides weekly allowances for those taking training for no more than 1 year. Apparently, Congress concluded that retraining allowances for 52 weeks would be adequate, whether the worker had become unemployed due to import competition or to forces and factors occurring within the domestic economy. Consequently, the provision of the bill providing training allowances for an additional half year is uncalled for. It is unfair to most unemployed workers.

The bill provides for weekly cash payments to those who are totally unemployed or those who merely experience a decline in hours work and in job income in a given week. Such declines will not have to be substantial in order for the individual to qualify. For example, a person who works as much as a 4-day week and who earns less than 75 percent of his previous average earnings including overtime, will be "unemployed" for the purposes of this act, and will receive some adjustment allowance.

Spokesmen for the administration repeatedly have stated that these adjustment allowances to workers are not unemployment compensation. We can readily understand how such statements might be made. A person who works a 4-day workweek and earns, say, 70 percent of his previous average weekly earnings can hardly be judged as unemployed. He certainly would not be regarded as unemployed by the standards of any of the State unemployment compensation programs, nor would he be found unemployed by the standards that Congress has established for Federal employees or for men discharged from the military services. However, any cash payment to such worker for a "week of unemployment" as specified in the bill can only be viewed as unemployment compensation. To describe it in any other terms is to engage in an extremely tortuous exercise in doubletalk.

What family with the breadwinner unemployed and drawing State unemployment compensation alone will be persuaded that the extra "adjustment allowances" received by his neighbor are not compensation for unemployment? The shorter duration and smaller amounts of State unemployment compensation will inevitably arouse workers' resentment. It is unrealistic to believe that such workers will cheerfully accept such obvious discriminations—no matter what language may be employed in describing and labeling the unemployment compensation provided in the bill.

Since there are unemployment compensation programs operating in all 50 of the States, to compensate workers for involuntary job loss, and since there is a national program to pay weekly allowances for those taking retraining, I urge Senators to vote to delete the provisions of the bill which provide for so-called adjustment assistance to workers laid off because of tariff concessions.

Mr. President, these amendments should be adopted. We should delete from the bill the special unemployment compensation provisions. In the first place, they would constitute another major step toward federalizing our unemployment compensation assistance, another step toward destruction of the State systems. The State systems are geared to the local economy, both as to the amounts the unemployed are to receive, the duration of the benefits, and the ability of the local industry to provide jobs.

Mr. President, there is a broader reason why these amendments should be adopted. Suppose a factory were to close because of imports as the result of this act. As the bill now stands, those who thus became unemployed would draw perhaps twice as much, and for twice as long a time, as would the other unemployed persons in the same community. Yet some of those unemployed would be in that situation because they had been providing goods and services to the industry which had to close. Mr. President, we have an obligation to be fair and to treat all our citizens alike and to recognize the needs of all those who are unemployed. The determining factor is their loss of job income, not what caused it.

Mr. BUSH. Mr. President, will the Senator from Nebraska yield?

Mr. CURTIS. I am glad to yield.

Mr. BUSH. Does not it seem to the Senator from Nebraska that title III, which would be deleted by the amendments of the Senator from Nebraska, is a highly discriminatory portion of the bill?

Mr. CURTIS. That is very true.

Mr. BUSH. Because it selects a group of workers, whom the proponents of the bill intend to become disemployed, and states that they are to receive especially favorable treatment because of the excess of imports, whereas those who might be disemployed because of other governmental action, or for any other reason, would receive much less favorable treatment; in fact, they would be ignored, as compared to the treatment provided by this bill.

Those who favor title III, which provides for the so-called adjustment assistance, makes the point that the reason why such unemployed persons are entitled to more favorable treatment is that they would be disemployed as a result of governmental action. But I point out that if the Government were to transfer the construction of submarines from the New Hampshire shipyards to the Electric Boat Co. in Connecticut, that action would disemploy many workers in New Hampshire, but would add to employment in Connecticut, and that development would occur because of governmental action. However, under this bill the ones disemployed by imports would receive more favorable treatment than would those who were disemployed in the New Hampshire shipyard.

Mr. CURTIS. That is true.

Mr. BUSH. There is inscribed over the entrance to the Supreme Court Building, across the way—although it is difficult to state, while one stands here, in just what direction from this Chamber that building is located——

Mr. CURTIS. Sometimes I think it is very far from here, in fact.

Mr. BUSH. In fact, sometimes it is difficult to state, while one is in this Chamber, whether outdoors it is raining or whether the sun is shining.

Perhaps we should have a compass, to help us determine just where we are. At any rate, there is inscribed over the entrance to the Supreme Court Building the words "Equal justice under law." However, title III violates that concept, because it does not purport to give, under this proposed law, equal justice to the workers of our country. In fact, the entire bill is most discriminatory, because it very carefully gives protection to favored, politically powerful groups, but prepares to throw to the wolves, so to speak, groups which have not had sufficient influence to enable them to obtain protection under this bill.

The other day it was stated in an editorial in the New York Times, "Protectionism has had its day." But I am sure that the one who wrote that had not studied this bill, because it is filled with protective devices of one sort or another. The oil industry is given protection, and so is agriculture; and the administration has given protection to the glass industry and to the carpet industry, and so forth; and the textile industry has been given assurances, in order to obtain its support of this measure. So protectionism is not dead; instead, protection is being parceled out on the basis of political favoritism.

In commenting on the amendments of the Senator from Nebraska, I point out that I think that is particularly true under the bill as it now stands. I served 10 years ago on the Randall Commission, and this so-called adjustment ar-

rangement was brought up at that time by my good friend, David MacDonald, of the United Steel Workers, who was on the Commission with us; but we rejected it, because we did not want to abandon the established policy and substitute for it this so-called adjustment assistance.

From my knowledge of the history of this "adjustment assistance" device, I am satisfied that it is the price the administration has paid to the leaders of organized labor for their support of this particular bill. I venture to assert that if the amendments of the Senator from Nebraska were to be adopted, the support of organized labor for the bill would vanish overnight. I do not blame the leaders of organized labor for trying to look out for their own. Other elements in the economy have been looking out for their own, in order to get the necessary protection, so they will be able to avoid the adverse effects of this bill.

Mr. CURTIS. But let me say that the labor leaders do not have a right to connive with the Federal Government to obtain special favors for part of their membership, at the expense of other portions of their membership.

In response to the illustration the distinguished Senator from Connecticut gave, let me say that in one community 1,000 jobs might be lost because of the cancellation of a defense contract, and those workers might belong to a union which also had 1,000 members in another city who lost their jobs because a factory there had to close. So the impact on the two communities would be the same, and the impact upon the individual workers and their household budgets would be the same. Obviously it would not be right or fair—and I am sure that if this issue were ever submitted to the rank and file of organized labor——

Mr. BUSH. And if they understood it——

Mr. CURTIS. Yes, and if they understood it, they would say that all unemployed should be treated alike.

Mr. BUSH. I venture to say that if the pending bill were thoroughly explained to the workers in industrial States and industrial communities that are vulnerable to a very substantial loss of business due to excessive imports by the use of the powers the President would be accorded under the bill, and if they understood the implications of it, they would not want our Government to depart from the "no injury" policy which has characterized our Trade Agreements Acts under Secretary Hull, who was the father of the original act, under President Franklin Roosevelt, under President Truman, and under President Eisenhower. I do not think they would want to see that policy violated if they understood the implications of the bill.

Mr. CURTIS. I agree emphatically with the distinguished Senator. I have the highest respect for the intelligence of the rank and file of our citizens, for the intelligence of the people who work and operate our farms and factories and carry on our businesses. I think the time will come when they will understand what we are doing here today, and they will require of us equal treatment before the law.

There are those who believe in a national unemployment compensation system. They think the benefits ought to be uniform, and that there ought to be longer periods of unemployment compensation and higher rates. If they want that, let them bring that proposal in the front door and let us debate it. But attaching such a provision as a part of a bill to take care of a favored few is not the way to scuttle our State system of unemployment compensation.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. CURTIS. I am happy to yield.

Mr. WILLIAMS of Delaware. Suppose under this section of the bill 1,000 employees in a certain company were laid off—500 of those employees laid off in a section which could be ruled as having been affected by imports and the other 500 laid off as a result of competitive conditions in our domestic economy. Would not the result of such be that half of the unemployed from that particular plant would be drawing one rate of benefits whereas the other half of the unemployed, who had been working in the same plant and who were members of the same union would be drawing lower benefits because they had lost their jobs as a result of domestic competitive conditions? Is that not correct?

Mr. CURTIS. The Senator is absolutely correct. We are doing here for one class of employees something we did not do for the veterans who may have been in foreign lands 3, 4, or 5 years and who came home and had to make the transition and be oriented and find jobs.

Mr. WILLIAMS of Delaware. Will the Senator yield further?

Mr. CURTIS. I yield.

Mr. WILLIAMS of Delaware. Would not the determination as to eligibility for all or a part of the employees for increased benefits under title III largely be made by the Secretary of Labor?

Mr. CURTIS. That is correct; and there are very few guidelines. The bill provides that one does not have to be unemployed; if he were working 4 days a week and earning less than 70 percent of his normal salary, he could draw benefits under the bill, when he could not qualify under our State systems.

Mr. WILLIAMS of Delaware. Will the Senator yield further?

Mr. CURTIS. I yield.

Mr. WILLIAMS of Delaware. Does not the bill provide that a group consisting of two or more employees could file a request for such a determination, even though the industry itself claimed it was not injured by imports, and the Secretary of Labor could make such a determination?

Mr. CURTIS. It is my understanding that that is true.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. CURTIS. I yield to the Senator from Connecticut.

Mr. BUSH. Does not the Senator agree with my view of another apsect of that title? I call it a cruel aspect of the provision. Certain sections of this country have been accorded tariff protection for many years. Industries have actually grown up there with the assistance of some tariff protection, the reason being the differential between wage rates paid in this country and those paid abroad. So, in order to protect our people and the standard of living of which we are so proud and which we cherish so much, we have had a measure of protection as a matter of national policy.

This administration is not abandoning that policy, because, as I said a few moments ago, it is being extended here, there, and everywhere, in order to get support for the bill. But what disturbs me about the bill is the human aspect of it. Here are families in a given location, where their fathers and grandfathers have worked for a certain industry or various industries in the area. Now they are told that, by action of their own Government, they are to be disemployed, but that the Government will take care of them by putting them on a dole, by giving them retraining of some sort, for another skill, perhaps, than the one from which they have made a livelihood for perhaps 20, 25, or 30 years; and finally, that the Government will, if needed, or if they so desire, move them to another part of the country—for example, from Connecticut to South Dakota, or somewhere else, where the brass worker's skill has been transferred to that of a gas filling station attendant, but because there is no room for a gas filling station attendant in an area where employment is going down, he will have to go to a distant State, at the expense of the Government, hoping he can find work there.

But the point is—and I wonder if the Senator does not agree with me—that thousands of workers in this type of situation do not want to move. They would rather stay where they have been brought up, where their children are in school, where they belong to churches, where their parents are buried in cemeteries, where they have roots in the ground. By the bill we are saying, which is so cruel, "We do not think that makes any difference. We think you can be put out of work because we want to expand our exports, and the way to do it is to increase our imports and thus put you out of work."

If we are going to adopt the principle of equal justice under law and apply it, as is stated on the Supreme Court building we intend to do, I would have no objection to this proposal. I would like to see a state of free trade in the world, in which we were all on an equal basis. But the fact is that this administration and its predecessors have been so protectionist-minded that it is an impossibility to think of free trade, because protection has already been given to various segments of our economy and of our social life, in order to drive through this particular trade bill.

I wonder if the Senator does not agree with me that the effect upon such workers is really quite cruel and harsh, and unnecessarily so if we would only stick to the policy of the last 27 years, namely, the "no injury" policy.

Mr. CURTIS. I agree with the Senator. I believe every American worthy of the name, if he is able bodied, would rather be employed than unemployed. I believe that to leave in the bill provision for a Government dole if tariff negotiations put persons out of work is an invitation for the negotiators to destroy businesses. It is an invitation for the negotiators to destroy jobs. It is the quid pro quo in the deal. It is negative and backward looking. It is contrary to the concept of trade legislation heretofore followed, which was an expansion of trade and an increase in jobs.

Mr. BUSH. Mr. President, will the Senator yield further?

Mr. CURTIS. I yield.

Mr. BUSH. A few weeks ago I was riding downtown listening to the radio. In the morning there is, on that particular station, a program called "Opinion, Please." It gives voice to the people. People can call the station and say what they think about any particular issue selected as the issue of the day. This particular day Mr. Martin—I believe that is his name—selected the trade bill as the issue of the day. People were invited to call to say what they thought about the President's trade bill. I am sure that none of them had read it. I do not blame them for that. I doubt if there is a Senator present, not a member of the commitee, who has read it, with the exception of myself. Nevertheless, people were invited to express their opinions.

I was impressed by one particular opinion, by a man who made response to the question, "What do you think of the President's trade bill?" He said, "I am all for it. The reason I am for it is that it is the only way we can ever get wages down in this country. If we pass the trade bill, that is what it will do. And that is a good thing, and I am for it."

Mr. President, I am not for that. I think it is very likely that the bill could have such an effect; and I do not think it is necessary for us to approach the wage level in that way.

That could happen if the President were to use all the power the bill would give him. I do not say that he would use it, but if he should, I am satisfied it would cause a tremendous degree of unemployment. It would be bound to have an effect upon the wage levels in this country, upon which we have prided ourselves, which have meant so much to the development of our high standard of living in this country, and which have brought fullness of life to so many individuals and so many families.

I do not want to see that injured by the proposed legislation. I think it holds out a very definite threat of serious injury in this particular respect.

Mr. CURTIS. I thank the Senator for his contribution.

Before I surrender the floor, I wish to congratulate the Senator, and to express the gratitude of many for the distinguished service which the Senator from Connecticut has rendered on this issue. We are left with a deep sense of disappointment that the Senator is leaving this body. The fight he has made on these amendments, whether he prevails or not, is a distinct service rendered to our country, to its economy, and to people who work.

The Senator is here when the decision is being made to abandon the "no injury" policy and to substitute the dole for jobs as the controlling factor in tariff matters, but the RECORD will forever stand that he was not for it.

I thank the Senator for his help today.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. CURTIS. I am happy to yield.

Mr. WILLIAMS of Delaware. I join my colleague from Nebraska in paying respect to the Senator from Connecticut and in expressing regret that he will soon be leaving this body. I have spoken to the Senator privately, but I now say publicly that I have developed great respect not only for his service in the Senate but also, in particular, for the manner in which he has conducted himself after he made the decision. The Senator from Connecticut has taken an active part in the workings of the Senate. Even today he is leading the fight on one of the major proposals before this Congress during this session and as important as any coming before any Congress during his service.

I admire the Senator greatly for the manner in which he is continuing to fight for the principles which he thinks are so important to this country.

Mr. CURTIS. I agree with my distinguished colleague.

The Senator from Connecticut was quite correct in pointing out that by administrative action some industries continue to have protection. For instance, the glass industry was given protection, but not the manufacturers of mirrors. Today mirrors can be imported for less than the mirror manufacturers can buy the glass in this country. That is the situation which results when we have such an operation of our trade laws, instead of proceeding by law and treating everyone equally.

Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. CURTIS. I ask for a vote at this time.

The PRESIDING OFFICER. The question is on agreeing to the amendments offered by the Senator from Nebraska.

Mr. KERR. Mr. President, I rise to oppose the amendments offered by the Senator from Nebraska. They would strike out all the provisions of the bill which would provide adjustment assistance both to workers and to industries, and to individual firms in industry.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. KERR. I yield to the majority leader.

Mr. MANSFIELD. As I understand the amendments offered by the Senator from Nebraska [Mr. CURTIS], on which I hope a vote will shortly be had, they would delete all of the provisions for adjustment assistance for firms and workers contained in the trade bill now under discussion.

Mr. KERR. That is the statement which the Senator from Oklahoma just made.

Mr. MANSFIELD. I am corroborating what the Senator said.

Mr. CURTIS. Yes.

Mr. MANSFIELD. In other words, if people were hurt as a result of foreign competition there would be no means by which they could find surcease from the effects of what might happen because of cheap foreign products, if the amendments were agreed to.

Mr. KERR. If the amendments offered by the Senator from Nebraska were adopted and the bill passed without the provisions in it which the Senator seeks to strike, the answer to the question by the Senator from Montana would be "yes."

Mr. MANSFIELD. The Senator has made the point crystal clear.

Mr. KERR. Mr. President, it is somewhat difficult for me to understand why Senators should oppose the bill on the basis that it would do damage to industries, to individual units or collectively, and that it would throw workers out of employment, yet at the same time seek to delete from the bill the provisions whereby industries which were damaged, if they were, or workers made unemployed, if they were, could receive some benefits by reason of that occurrence having taken place.

It is entirely apparent that such Senators cannot have reasoned through their position, unless their sole purpose is to destroy the bill.

I know that the operations of the reciprocal trade program have resulted in some industries suffering from foreign competition and some workers losing their jobs. I contemplate the possibility that such might be the case if the pending bill were passed.

The justification for passage of the bill is the overall benefit which will accrue to our country, the overall help which will be given to our industries, through the finding of a better market in the channels of trade and commerce around the world for American products.

In the fierce competition of today and tomorrow our domestic industries may suffer damage, and some American workers may lose their jobs.

The purpose of the section in the bill which the Senator seeks to delete is to make help available for industries which suffer, if they can show they have suffered, and to make compensation available for workers who might lose their jobs. The compensation would be for a limited period of time. There would be an opportunity for retraining for the displaced workers, if there were any.

Mr. President, since the section is such a vital part of the bill and so absolutely necessary to enable the program to succeed, the amendments offered by the Senator from Nebraska should be rejected.

Mr. WILLIAMS of New Jersey. Mr. President, I wish to say a few words in

support of the President's trade bill, and especially in support of the trade adjustment provisions of the bill which are under heavy attack.

I strongly support the President's trade program. I think it is vital to our Nation's continued growth and prosperity. But I see no reason why the few communities, industries or workers who may possibly suffer some adverse effect from the reduction of trade barriers must bear the entire burden. If the interests of the Nation and the interests of our national trade policy cause some injury, the Nation, and therefore the Federal Government have a clear and unmistakable obligation to alleviate that injury and facilitate adjustment to new economic activities.

I am proud to say that as a member of the House of Representatives from 1954 to 1956, I had the pleasure of joining with President Kennedy, when he was here in the Senate, in originating one of the first legislative measures to incorporate the trade adjustment concept.

I worked long and hard to advance this idea, and it gives me the greatest pleasure to watch its advance to the significant position it occupies in the trade bill now before us.

I earnestly hope the Senate will retain this provision, and reject the substitutes which have been proposed—which in my judgment are ill-conceived and ill-designed—to meet the trade adjustment problem.

It is suggested that we eliminate the carefully drawn trade adjustment provisions of the bill, and stretch two programs—the Area Redevelopment Act and the Manpower Training Act—to meet the need of trade adjustment. To me, this twisting of these programs, which were designed for entirely different purposes, is awkward in the extreme.

For example, the Area Redevelopment Act is designed to help revitalize entire communities suffering from substantial and prolonged unemployment. It carries with it a number of requirements, including planning and financial participation by the States. To make any area in the country a "redevelopment area" whether it suffers substantial unemployment or not, upon the petition of an eligible industry, would do violence to the entire concept of the program, and impose unreasonable restrictions on the affected industries. If these restrictions are to be waived by the Secretary of Commerce at his discretion, we will then have given him a complete blank check, with no congressional guidelines.

The Manpower Training Act is equally unsuited to the needs of workers adversely affected by the trade program.

Under the trade program, worker benefits are related to the individual's former wages. The benefits are intended as a reasonable substitute for his previous job security, until the period of adjustment to new conditions can be completed.

Under the Training Act, the training allowances are equal to the average unemployment insurance payment in the worker's State since only a subsistence wage is intended until the retraining can be completed.

Thus if the trade program is vital to the Nation, and some few industries and workers may suffer as a consequence, then I say the Federal Government has an obligation to help, and in the right way, not with a few miscast palliatives.

And Mr. President, I think this program is vital, for the unmistakable fact is that the Common Market countries of Europe are going to reduce their tariffs among one another to zero, while erecting a common tariff wall to the rest of the world, ourselves included.

If we do not arm ourselves with the strength to negotiate away that wall between the Common Market and the United States, we will have lost an immense market to our American exporters. We simply cannot blink away the fact that in order to get something, we have to give something. And this bill gives the Preident the trading material he must have if we are to negotiate from strength with the Common Market.

If we fail and this bill is not passed, the result can only be a widening economic division within the Atlantic Alliance, which could well lead to a widening political breach. And I can think of nothing that would suit the aims of the Sviet Union more than that.

Some people say that we can't compete, that we are being priced out of the world market, but the facts belie the cliche. The fact is that last year, we exported over $20 billion worth of goods, while we imported less than $15 billion. Incidentally, we also sell about $700 million more worth of goods to such a low-wage country as Japan than we buy from her.

Even on the amount that we import, much needs to be said. Too often it is assumed that every dollar of import displaces a dollar's worth of potential production and employment in the United States. But it has been estimated that about 60 percent of our imports are noncompetitive, and thus do not injure our job opportunities. These noncompetitive imports range from coffee and tea to bananas and tin. And of course the handling of these imports, the distribution and sale of them in this country produce jobs, and create new productive demands. For example, the import of coffee stimulates the production in this country of grinding equipment, brewing equipment and many other items necessary to bring the coffee to the American consumer.

Even in the area of competitive imports, American jobs are at stake in the distribution and retailing end. And this competition also benefits the all-too-often-forgotten consumer who benefits greatly from wider variety of selection and better prices.

On the whole, therefore, I think imports are both beneficial and important to the American economy. But there are times when the import of competitive goods turn from their healthy role of keeping our producers on their toes, to an unhealthy and unfair blow to American jobs. And that is the time for the Federal Government to act to minimize the adverse impact and facilitate the transition to new areas of production and service.

Thus, Mr. President, I earnestly hope the Senate will approve both the basic provisions of the bill, and especially the trade adjustment section.

The PRESIDING OFFICER. The question is on agreeing to the amendments offered by the Senator from Nebraska [Mr. CURTIS]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Nevada [Mr. CANNON], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Tennessee [Mr. GORE], the Senator from Michigan [Mr. HART], the Senator from Florida [Mr. HOLLAND] the Senators from Oregon [Mr. MORSE] and [Mrs. NEUBERGER], and the Senator from Georgia [Mr. TALMADGE] are absent on official business.

I further announce that the Senator from Alaska [Mr. GRUENING] is necessarily absent.

On this vote, the Senator from Alaska [Mr. GRUENING] is paired with the Senator from Colorado [Mr. ALLOTT].

If present and voting, the Senator from Alaska would vote "nay," and the Senator from Colorado would vote "yea."

On this vote, the Senator from Michigan [Mr. HART] is paired with the Senator from Nebraska [Mr. HRUSKA]. If present and voting, the Senator from Michigan would vote "nay," and the Senator from Nebraska would vote "yea."

On this vote, the Senator from Oregon [Mr. MORSE] is paired with the Senator from Texas [Mr. TOWER]. If present and voting, the Senator from Oregon would vote "nay," and the Senator from Texas would vote "yea."

On this vote, the Senator from Oregon [Mrs. NEUBERGER] is paired with the the Senator from New Hampshire [Mr. MURPHY]. If present and voting, the Senator from Oregon would vote "nay," and the Senator from New Hampshire would vote "yea."

I further announce that, if present and voting the Senator from Nevada [Mr. CANNON], the Senator from Florida [Mr. HOLLAND], and the Senator from Georgia [Mr. TALMADGE] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. ALLOTT] is absent on official business as a U.S. Representative to the General Assembly of the United Nations.

The Senator from South Dakota [Mr. BOTTUM], the Senator from Maryland [Mr. BUTLER], the Senator from Indiana [Mr. CAPEHART], the Senator from Nebraska [Mr. HRUSKA], the Senators from New York [Mr. JAVITS and Mr. KEATING], the Senator from Kentucky [Mr. MORTON], and the Senator from New Hampshire [Mr. MURPHY] are necessarily absent.

The Senator from Texas [Mr. TOWER] is necessarily absent attending the Republican State Convention as required by Texas law.

On this vote, the Senator from Colorado [Mr. ALLOTT] is paired with the Senator from Alaska [Mr. GRUENING]. If present and voting, the Senator from Colorado would vote "yea," and the Senator from Alaska would vote "nay."

On this vote, the Senator from South Dakota [Mr. BOTTUM] is paired with the Senator from New York [Mr. JAVITS]. If present and voting, the Senator from South Dakota would vote "yea," and the Senator from New York would vote "nay."

On this vote, the Senator from Indiana [Mr. CAPEHART] is paired with the Senator from New York [Mr. KEATING]. If present and voting, the Senator from Indiana would vote "yea," and the Senator from New York would vote "nay."

On this vote, the Senator from Nebraska [Mr. HRUSKA] is paired with the Senator from Michigan [Mr. HART]. If present and voting, the Senator from Nebraska would vote "yea," and the Senator from Michigan would vote "nay."

On this vote, the Senator from New Hampshire [Mr. MURPHY] is paired with the Senator from Oregon [Mrs. NEUBERGER]. If present and voting, the Senator from New Hampshire would vote "yea," and the Senator from Oregon would vote "nay."

On this vote, the Senator from Texas [Mr. TOWER] is paired with the Senator from Oregon [Mr. MORSE]. If present and voting, the Senator from Texas would vote "yea," and the Senator from Oregon would vote "nay."

The result was announced—yeas 23, nays 58, as follows:

[No. 261 Leg.]

YEAS—23

Aiken	Cotton	Pearson
Beall	Curtis	Prouty
Bennett	Dirksen	Robertson
Boggs	Ervin	Thurmond
Bush	Goldwater	Wiley
Byrd, Va.	Hickenlooper	Williams, Del.
Carlson	Jordan, Idaho	Young, N. Dak.
Chavez	Mundt	

NAYS—58

Anderson	Humphrey	Moss
Bartlett	Jackson	Muskie
Bible	Johnston	Pastore
Burdick	Jordan, N.C.	Pell
Byrd, W. Va.	Kefauver	Proxmire
Carroll	Kerr	Randolph
Case,	Kuchel	Russell
Church	Lausche	Saltonstall
Clark	Long, Mo.	Scott
Cooper	Long, Hawaii	Smathers
Dodd	Long, La.	Smith, Mass.
Douglas	Magnuson	Smith, Maine
Eastland	Mansfield	Sparkman
Ellender	McCarthy	Stennis
Engle	McClellan	Symington
Fong	McGee	Williams, N.J.
Hartke	McNamara	Yarborough
Hayden	Metcalf	Young, Ohio
Hickey	Miller	
Hill	Monroney	

NOT VOTING—19

Allott	Gruening	Morton
Bottum	Hart	Murphy
Butler	Holland	Neuberger
Cannon	Hruska	Talmadge
Capehart	Javits	Tower
Fulbright	Keating	
Gore	Morse	

So Mr. CURTIS' amendments were rejected.

Mr. KERR. Mr. President, I move to reconsider the vote by which the amendments were rejected.

Mr. HUMPHREY. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. BYRD of Virginia. Mr. President, on behalf of myself and the Senator from Delaware [Mr. WILLIAMS], I offer an amendment which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 58, strike out line 19 and all that follows through line 2 on page 59 and insert the following:

SEC. 323. WEEKLY AMOUNTS

(a) Subject to the other provisions of this section, the trade readjustment allowance payable to an adversely affected worker who is eligible for unemployment insurance under State law shall be the weekly benefit amount (including allowances for dependents) which would be payable to him pursuant to such State law, but for the provisions of this chapter. The trade readjustment allowance payable to an adversely affected worker who is not eligible for unemployment insurance under State law shall be the weekly benefit amount to which he would have been entitled if he had been eligible for such insurance under the law of the State to which his employment is assigned under regulations prescribed by the Secretary of Labor.

On page 59, line 16, strike out "(c)" and beginning with line 24, strike out all through line 8 on page 60 and on line 9 of page 60 strike out "(d)" and insert "(c)".

On page 60, line 14, strike out "subsection (c) or (e) or to".

On page 60, line 21, strike out "unemployment insurance or the".

On page 61, beginning with line 4, strike out all through line 2 on page 62, and on line 3 of page 62, strike out "(g)" and insert "(d)".

On page 62, lines 9 and 10, strike out "(determined without regard to subsection (c) or (e))".

On page 67, lines 16 and 17, strike out "(determined without regard to section 323 (c) and (e))".

On page 68, line 12, strike out "the average weekly manufacturing wage." and insert "the trade readjustment allowance payable to the worker under section 323(a)."

On page 69, strike out lines 4 through 8.

On page 69, strike out "section 323 (g)" in lines 16 and 21 and insert "section 323(d)".

On page 73, beginning with line 18, strike out all through line 6 on page 75.

On page 75, line 7, strike out "(8)" and insert "(3)"; on line 11 strike out "(9)" and insert "(4)"; on line 13, strike out "(10)" and insert "(5)"; strike out lines 17 through 20 and on line 21, strike out "(12)" and insert "(6)".

On page 76, line 3, strike out "(13)" and insert "(7)" and strike out lines 5 through 15.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. BYRD of Virginia. I yield.

Mr. MANSFIELD. I understand that the distinguished chairman of the Committee on Finance is amenable to a limitation of debate on the amendment. I understand also that the distinguished Senator from Nebraska [Mr. CURTIS] has two amendments which, he says, will not require much time, and that he would likewise be agreeable to a limitation on his amendments; and he has so informed me. I also understand that the Senator from Connecticut [Mr. BUSH] has two amendments. Whether or not he would consider a limitation of time on his amendments, I do not know.

Mr. BUSH. I may have three amendments. I am not sure.

Mr. MANSFIELD. Therefore, with the consent of the Senate, I should like to state that it is the intention of the leadership at this time to make a unanimous-consent request. I ask unanimous consent that, on the Byrd amendment, 1 hour of debate may be allowed, to be equally divided, 30 minutes of debate to be controlled by the Senator from Virginia and 30 minutes by the Senator from Montana, the majority leader.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. RUSSELL. Does that apply only to the pending amendment?

Mr. MANSFIELD. Yes. I wish to state to the Senate, in view of the circumstances which have arisen, and after discussing the question with the chairman of the Committee on Finance, the Senator from Virginia [Mr. BYRD], the minority leader, and other Senators, that there is a possibility—a long possibility—that it may be possible to complete consideration of the bill tonight. So long as a large number of Senators are in attendance, I thought I would take the occasion to make this statement.

Since the Senator from Georgia raised a question concerning the latest unanimous-consent agreement, I now ask unanimous consent that, as to the two amendments to be offered by the Senator from Nebraska [Mr. CURTIS] there be allocated, instead of 10 minutes to a side, as he suggested, one-half hour, or 15 minutes to a side.

The PRESIDING OFFICER. Is there objection?

Mr. CURTIS. Is that with respect to each amendment?

Mr. MANSFIELD. Yes; each amendment.

Mr. CURTIS. I have no objection.

Mr. RUSSELL. Mr. President, I contemplate offering an amendment to limit this vast grant or power to 3 years, instead of 5. I hope to have an opportunity to offer it at some time during the consideration of the bill.

Mr. MANSFIELD. That opportunity will be available.

I am making this request now at the suggestion of Senators who have said they propose to offer amendments, but they will have to take their chances as to when the amendments can be called up.

Mr. KERR. Mr. President, has unanimous consent been granted?

Mr. MANSFIELD. I believe it has been granted.

Mr. KERR. I did not think it had been granted.

Mr. MANSFIELD. The requests for unanimous consent apply only to these three amendments; to no others.

Mr. CLARK. Mr. President, I want to be certain that I understand the agreements. Is there to be a limitation of 1 hour on the amendment of the Senator from Virginia [Mr. BYRD]?

Mr. MANSFIELD. That is correct; 30 minutes to a side.

Mr. CLARK. And one-half hour on each of the Curtis amendments, 15 minutes to a side?

Mr. MANSFIELD. The Senator is correct.

Mr. SMATHERS. Mr. President, while the Senate is in such a compromising mood, I wonder if an arrangement might not be made with the Senator from Connecticut [Mr. BUSH], so that we might know when to expect to finish voting on amendments and reach the third reading of the bill.

Mr. MANSFIELD. Whenever the Senator from Connecticut indicates that he wishes to discuss the question, I shall be willing to consider a proposal. For the time being, I think we have done well enough.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Montana? The Chair hears none, and it is so ordered.

Mr. BYRD of Virginia. Mr. President, this amendment deals with the unemployment compensation provisions in the pending Trade Expansion Act of 1962 (H.R. 11970). It amends section 323 of the bill, beginning with line 19 on page 58.

The amendment makes only one primary change in the bill as it stands since the perfecting deletion from the so-called Smathers amendment. Other language in the amendment would be of a conforming nature.

In short, the only prime change in the present bill to be made by this amendment would simply provide that unemployment compensation to be paid under terms of this act would be paid at the rates which prevail in the respective States where the payments are made.

If the amendment is not adopted, those claiming unemployment compensation under this act would be paid almost twice as much as their neighbors who may be out of work for any other reasons.

The amendment does not change the duration over which unemployment compensation would be paid under terms of this bill. It would still be paid for a year, plus 6 months for training—a total of 18 months.

The amendment does not change the provisions under which States would be reimbursed by the Federal Government for unemployment compensation payments made under the terms of the bill.

In other words, under the amendment the Federal Government would pay for unemployment compensation under this act at the rates prevailing in the respective States for a period of up to 18 months including training.

Without the amendment the bill would give a windfall to those who can qualify for unemployment compensation under this act, and to this extent would discriminate against all others.

Under the amendment weekly unemployment benefits for all persons in each State who are eligible for unemployment compensation would be determined under the same formula without regard to the cause of their unemployment.

The provisions of the bill under which a segment of the unemployed in this country would be paid nearly twice as much as all others are not and cannot be justified.

It is argued that unemployment caused by the bill will be peculiar to the extent that it will result from a national policy and a Federal act.

The same argument could be made with respect to unemployment resulting from the dismissal of Federal employees, or with respect to unemployment resulting from the mustering-out of returning servicemen.

This provision in the bill runs contrary to all Federal and State experience in unemployment compensation. It is based on the fact that people are unemployed; not to the passing cause.

It will be difficult to explain to the worker who is out of work for some domestic reason how he is any less unemployed than his neighbor who may be out of work because of foreign competition.

If we are to establish the precedent of paying federally occasioned unemployment at different and higher rates, then we are starting out on an uncharted sea.

The Department of Labor estimates that there was a measure of unemployment due to the recent increase in the minimum wage. If and when the minimum wage is again raised, will Congress make provision for special benefits for those who are out of work by reason of the action of the Congress in increasing the minimum wage?

No reasonable doubt can exist that Federal tax policy substantially affects employment opportunities and occasions unemployment.

To the extent that unemployment is traceable to changes in Federal tax policy, will Congress make special-benefit provisions for displaced workers?

The Secretary of Labor has estimated that only some 18,000 to 19,000 workers would be eligible each year for the special benefits over the 5-year life of the bill.

This is less than 100,000 workers receiving special privilege as compared with over 30 million unemployed workers, who, on the basis of past experience, will be claiming and receiving benefits under State laws in the like 5-year period.

The fact is that this amendment is required as a means of preserving the degree of State sovereignty in the unemployment insurance compensation system which we have fought so hard to maintain.

Make no mistake. There is a close relationship between the special high benefits in the bill as it stands without the amendment and the recurring proposal to federalize unemployment compensation.

Likewise, with respect to duration, the representative weekly duration of payments applying to more than 80 percent of workers covered under State laws is 26 weeks.

The duration of unemployment compensation payments for those out of work under the bill is 52 weeks. This is the avowed objective of those who would cause the Federal Government to enter the field and induce States to double their duration of payments.

If the benefit provisions of the bill are enacted, they will be consistent with the proposals of those who have continuously tried to federalize the program. And the establishment of these special high benefits in amount and duration for a selected few will be construed as congressional recognition that State benefits are inadequate.

I hope the amendment we have offered will be adopted, and that it will remain a part of the law.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. BYRD of Virginia. I yield.

Mr. DIRKSEN. As I understand, either an industry or a worker in an industry may file a petition with the U.S. Tariff Commission, the industry claiming that it has been injured as a result of imports, or the worker claiming that he has become unemployed because of the impact of imports. Is my understanding correct?

Mr. BYRD of Virginia. The Senator is correct.

Mr. DIRKSEN. If the Tariff Commission agreed and made a finding to that effect, the displaced or dislocated worker would then receive, under the bill as reported by the committee, not to exceed 65 percent of the national average wage, which is estimated, as a ceiling, to be $61 a week?

Mr. BYRD of Virginia. The Senator is correct.

Mr. DIRKSEN. Under the bill he could receive that payment for a period of 52 weeks.

Mr. BYRD of Virginia. After he retrained——

Mr. DIRKSEN. I shall come to that point in a moment.

He would receive up to $61 a week for a period of 52 weeks. If he took the retraining course, he would receive the payments for an additional 26 weeks for a total of 78 weeks, at 65 percent of the national average.

Mr. BYRD of Virginia. That is correct.

Mr. DIRKSEN. On the other hand, a worker who lost his job because of domestic reasons—whatever they might be—would be paid under the State formula at the State rates. So there would be a distinction as between the two groups; one would be paid at a much higher rate than the other.

Mr. BYRD of Virginia. The Senator from Illinois is entirely correct.

Mr. DIRKSEN. In addition, the aged would receive an additional 13 weeks of payments, as I understand.

The Senator's amendment provides that the money shall be paid by the Federal Government, as provided in the bill, but also that although the money will be Federal money, it will be paid at the

rates which obtain in the respective States; is that correct?

Mr. BYRD of Virginia. That is correct.

Mr. DIRKSEN. So that is what the amendment would do; and, of course, in so doing, it would retain at least that much of the framework of the States' unemployment compensation systems.

Mr. BYRD of Virginia. And it would avoid having two unemployment compensation systems side by side in the same State.

Mr. DIRKSEN. Yes.

Mr. BYRD of Virginia. Both categories would be paid out of the State funds; and then, under this plan, the States would be reimbursed by the Federal Government.

Mr. DIRKSEN. If the provision as reported by the committee were to remain in the bill, it would be a long step in the direction of federalizing the unemployment compensation systems of the various States, would it not?

Mr. BYRD of Virginia. In my opinion, that is correct.

I want it understood that my amendment is a very simple one. It will not strike out title III, on which we voted a short time ago, except to the extent that the amendment will provide for uniform payments to those who are injured or lose their jobs because of imports. The payments to them and the payments to other unemployed persons in the same State would be the same.

Mr. DIRKSEN. And thus the amendment will not set up two classes of beneficiaries, to be paid at entirely different rates, and in some cases with one being paid twice as much as the other.

Mr. BYRD of Virginia. Yes; and, as the Senator from Illinois has stated, the amendment will extend the duration period, as provided by the bill as it now stands; there will be no change in that respect. The only change will be in the weekly payments to the other unemployed persons in the respective States.

Mr. SALTONSTALL. Mr. President, will the Senator from Virginia yield?

The PRESIDING OFFICER (Mr. LONG of Hawaii in the chair). Does the Senator from Virginia yield to the Senator from Massachusetts?

Mr. BYRD of Virginia. I yield.

Mr. SALTONSTALL. This amendment would extend the period for 1 year, and the payments would be made by the Federal Government, but would be made at the State's rate; and, in addition, there would be a retraining period of 26 weeks, which also would be paid for at the same rate?

Mr. BYRD of Virginia. That is correct.

Mr. SALTONSTALL. I thank the Senator from Virginia.

Mr. DIRKSEN. And in each case the money would be Federal money.

Mr. BYRD of Virginia. Yes.

Mr. President, I hope the amendment will be adopted.

Mr. MANSFIELD. Mr. President, I yield 5 minutes to the Senator from Florida [Mr. SMATHERS].

The PRESIDING OFFICER. The Senator from Florida is recognized for 5 minutes.

Mr. SMATHERS. Mr. President, there is no Member of the Senate for whom I have greater affection or higher regard than I have for the very able chairman of the Finance Committee, the senior Senator from Virginia [Mr. BYRD]. I am not accustomed to being on the opposite side from the side he is on, in connection with any issue.

However, in this instance I find myself upon the opposite side. The amendment he now has offered would delete from the bill the amendment which I offered in the committee, and which was adopted.

I, too, believe in States rights. I believe that if an injury done to a worker results from action taken by a State, the State, rather than the Federal Government, should provide the proper compensation.

But when this bill goes into effect, the injury will result from Federal action, from the action of the Federal Government in removing the tariff, thereby allowing the entrance of imports which will result in damage to an industry and in the loss of the jobs of the workers in that industry. In view of the fact that the action would be Federal action, those of us on the committee took the position that the Federal Government should have the responsibility for making the compensation payments due to the worker because he lost his job as a result of action taken by the Federal Government.

I believe that in this instance the Federal Government, acting in what I regard as the overall interest of the Nation—and I recognize that some workers will be injured thereby, but there will be overall benefit to American industry and to the general economy—has the responsibility, under the original concept, to provide funds for proper and necessary compensation. I believe the able chairman of the committee must agree as to that, because in his amendment he provides that the Federal Government shall pay basically a certain amount of money.

So the only argument is whether, once the workers have thus been injured, and inasmuch as they then will have the right to receive Federal funds, the amounts received by the workers shall be those regulated and determined by the States or those determined by action taken under the provisions of the bill. In the bill it is provided that if a worker loses his job because of action by the Federal Government, he then will be entitled to receive unemployment compensation for 52 weeks at a rate of two-thirds of the national average. But if his wage is much lower, he never can receive more unemployment compensation than the amount of pay he would receive if he were employed. So he then would receive two-thirds of his weekly wage. In other words, if he had been paid $75 a week, he would be entitled to unemployment compensation of $50 a week; or if he had been receiving wages a good deal larger than the national average, he would receive unemployment compensation of $61 a week.

I cannot help but believe that in this instance we are following the correct principle when we provide that the Federal Government shall pay unemployment compensation for the injured worker; and I believe we recognize that when an industry has been injured in that way and workers have lost their jobs, the injury is unlike the ordinary injury, inasmuch as the business will be out of business for a long time, and thereby the workers will be deprived of their jobs for a long time. We felt that because of that philosophy, the workers who thus are injured deserve total Federal participation in this particular instance, and are entitled to unemployment compensation even greater than that which a State might have paid them if they had lost their jobs because of ordinary economic conditions.

Mr. McCARTHY. Mr. President, will the Senator from Florida yield?

Mr. SMATHERS. I shall yield in a moment.

Mr. President, I do not believe it is fair to take the position that a worker in Virginia who has lost his job because of action taken by the Federal Government or a worker in Florida who has lost his job because of action taken by the Federal Government should receive less compensation than workers in Massachusetts or New York or Delaware who have lost their jobs because of action taken by the Federal Government. I do not believe we could logically support an arrangement whereby a worker in Florida who thus had lost his job would be told, "You have lost your job because of imports, and we believe you should receive less unemployment compensation than that received by workers in other States who have lost their jobs because of the same development. Even though you have been adversely affected by the action taken under the provisions of the bill, we favor having you receive smaller amounts of unemployment compensation than the amounts to be received by unemployed workers in Louisiana, New York, or other States." Yet, Mr. President, that would be the result of the amendment of the Senator from Virginia.

It seems to me that both groups should receive the same treatment, because their injury has resulted from the action of the Federal Government in removing the tariff, and because—inasmuch as the tariff would have been removed by the Federal Government—it would have the responsibility for providing compensation; and certainly the compensation should be provided on the same basis to all such workers in the United States.

I am glad to yield now to the Senator from Minnesota.

Mr. McCARTHY. The Senator has established that this is entirely a Federal program and that it would be paid for out of funds of the Federal Government. It is assumed that the reason for the injury is a program under the Trade Act. In every other case in which a Federal program is involved, we do not make a distinction as among the States. The same veterans pensions or benefits are paid in New York as in Florida or California. The same Government salaries are paid. If the amendment were adopted we might establish a precedent under which different persons would get different salaries while working for the

same department. Because the cost of living was lower in one State, it might be argued that the postmasters in that State ought to get 75 percent of what they got in a State where the cost of living was higher.

Mr. SMATHERS. And possibly one might argue that a U.S. Senator would be entitled to more money because he came from New York, as compared to one who came from the State of Nevada, for example. But we do not subscribe to such a theory.

Mr. McCARTHY. With respect to Government pensions, Government salaries, and payments for total disability, we provide the same benefits. To adopt the pending amendment would be a departure from a clearly established precedent.

Mr. SMATHERS. I thank the Senator from Minnesota.

Mr. LONG of Louisiana. Mr. President, will the Senator yield me 5 minutes?

Mr. MANSFIELD. Mr. President, I yield 5 minutes to the Senator from Louisiana.

Mr. LONG of Louisiana. Mr. President, this Senator believes in States' rights and States handling State affairs, and Federal responsibility for Federal purposes. I am opposed to calling upon the States to pay for Federal damages, and this Senator has called upon the Government to pay for damage done the States by the Federal Government.

I am happy to say that I was successful in getting some of our northern colleagues to agree to provide Government pensions for Confederate widows, as well as Yankee war widows. On other occasions I have been successful in righting some of the damage done to the South in the Civil War, because I thought we ought to be in this enterprise together.

In this particular case we are talking about a Federal injury. The Senator from Florida [Mr. SMATHERS] offered an amendment in committee providing that the Federal Government would pay the entire expense, because it is not fair for a State to pay for a Federal injury. The Federal Government should pay for these damages to the exclusion of the States.

How are we going to pay for it? We are going to say, "If you were working and making $75 a week and you lost your job for a long time to come because the Federal Government decided to cut tariffs and put your boss out of business, we will try to help the boss get back in business by giving him reasonable assistance, by way of loans, aid, counseling, and otherwise. We will try to help him get in another business. We will also help the former workers in the company by giving them two-thirds of what they had been making for a period of 1 year, because we know they may be out of work for a long time." Sometimes the only industry in a town may be put out of business, while the overall national economy gets the benefit. So it is not fair for the Nation as a whole to benefit at the expense of a few.

Therefore the majority voted, contrary to our chairman, to keep that provision in the bill, whereby we provide Federal relief for Federal injury, so that, when there was an overall benefit, it would not be so greatly at the expense of a few who would have to suffer.

If this provision is not agreed to, it will mean that, in the State of Alaska, a man will be getting $70 as the Federal payment, because that is the level of the State payment. In Alabama he will be getting $28. Why should anyone from Alabama vote to cut the benefits his people would receive by two-thirds because he happened to be from Alabama and the State of Alabama had not provided as well for this type of injury as some other State had? Why should I not vote for the higher level of Federal protection for the people of Louisiana when the Federal Government is ready and willing to compensate for the Federal injury? All we have to do is let the Government do it.

Therefore, I say the formula is that it is a Federal injury; it is tied to a Federal level of wages; so the payments cannot exceed two-thirds of the national average, nor can they exceed two-thirds of what the individual had been making. The national average is now $93 a week. If a person had been making $150 a week, he could not exceed the national average. He would receive 65 percent of $93, which is $61.

Mr. President, it is a fair proposal that Federal standards be used in paying for Federal injury. We provide private relief bills to compensate Federal injury all the time. If one examines the calendar, he will find more private relief bills than any other kind. This is a relief bill for those the Federal Government chooses to injure in the pursuance of a program in the overall national interest. On the whole, we anticipate an increase in national income as a result of the bill. We anticipate an increase in employment overall. We do not want to do that at the expense of a few and the suffering of an unfairness to a few Americans who will be injured.

I hope the Senate will see fit to retain the provision in the bill.

Mr. BYRD of Virginia. Mr. President, I yield 5 minutes to the Senator from Delaware [Mr. WILLIAMS].

Mr. WILLIAMS of Delaware. Mr. President, I support the amendment of the Senator from Virginia. Both the Senator from Florida and the Senator from Louisiana made a good argument for the amendment. People should be treated equally if they lose jobs. What difference does it make to a working man in Louisiana, Alabama, or Delaware whether he loses his job as a result of imports caused by a Federal decision on tariffs or whether he loses his job as a result of Government contracts being canceled in a State or the curtailment of farming operations?

If the amendment of the Senator from Virginia is not adopted we shall have a situation under this proposal in which workers in the respective States will be drawing different rates of benefits depending upon why they were unemployed.

Mr. LONG of Louisiana. Mr. President, if the Senator will yield, would there not be the same difference between a Federal court and a State court? A litigant might get one decision in one court and a different one in another.

Mr. WILLIAMS of Delaware. No; this case is in the Congress, and we are making the decision. I do not see what difference it makes whether a worker is laid off for one reason or another. What difference does it make whether he loses his job as a result of domestic competition or as a result of imports?

If we do not adopt the amendment there will be a situation in which a company could have 1,000 employees; and it might be determined that one-third of the unemployed resulted from the branch of the company which was affected by imports and they would therefore be eligible for one rate of unemployment compensation, while employees of the same company losing their jobs on the same day as a result of domestic competition would be drawing a lower rate of compensation merely because they were working in another division of the company.

If the object is to federalize unemployment insurance and put national standards in effect all over the Nation let us vote on it as such and not let it come in through the backdoor. When two men lose their jobs through no fault of their own why should one get $61 a week and the other get only $30 a week. They both have families to support. If one is entitled to $61 so is the other. If we do not adopt the amendment we shall have laid the groundwork for federalization of unemployment insurance—let there be no misunderstanding on that point.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. DIRKSEN. Is not the argument of the Senator from Louisiana a little like that of the man who is hit by an automobile? If Mr. A is driving the automobile, he gets X amount in damages, if he is successful; but if Mr. Y is driving the automobile, he gets an entirely different amount, although the injury might be exactly the same.

Mr. WILLIAMS of Delaware. That is true. There is another point which must be determined. The injury resulting from imports would be determined as of a certain date. Let us say it was October 1. There must be some specific date. Some workers from the same plant are going to be laid off in the month of September. Would it be any less disastrous to the man if he were laid off before the determination was made rather than afterward?

I think all sorts of complications would develop. If the amendment is not agreed to I venture to say that in the very near future another proposal will be made, either to repeal the provision or to federalize and standardize unemployment insurance throughout the United States.

Mr. DIRKSEN. I have one further question to ask the Senator. Is it not true that in each instance the funds would be derived from the Federal Treasury?

Mr. WILLIAMS of Delaware. In both instances that would be correct. That

question would not be affected by the adoption of the amendment.

Mr. DIRKSEN. Exactly.

Mr. WILLIAMS of Delaware. The time period for which the man could draw unemployment insurance also would not be affected.

Mr. LONG of Louisiana. Mr. President, will the Senator yield for a question?

Mr. WILLIAMS of Delaware. I yield.

Mr. LONG of Louisiana. Since the analogy has been made with respect to law, I wish to say that in most States the law is that whoever occasions injury upon another must pay the entire cost of the injury.

In one instance we are talking about an injury which might occur to a man through no fault of his own, and in another instance we are talking about an injury which might occur through the deliberate action of the Federal Government. In the latter case we are only talking about compensating the man for two-thirds of his injury.

In view of the fact that the Federal Government would cause the entire injury, would it not be fair for the Federal Government, insofar as practical, to try to reward the man in a substantial way?

Mr. WILLIAMS of Delaware. He should be treated fairly not in only one instance but in both instances. The unemployment would occur through no fault of the man. He would not cause his own unemployment. This amendment would guarantee equal treatment.

The PRESIDING OFFICER (Mr. LAUSCHE in the chair). The time of the Senator from Delaware has expired.

Mr. WILLIAMS of Delaware. May I have 2 more minutes?

Mr. BYRD of Virginia. Mr. President, I yield the Senator 5 more minutes.

The PRESIDING OFFICER. The Senator from Delaware may proceed for 5 additional minutes.

Mr. WILLIAMS of Delaware. In either instance the unemployment could result from Federal action. It could be unemployment resulting from imports or a change in the plans of the Federal Government with respect to expanding a military base or the result of contracting for defense work. The unemployment could result from a change in the farm program, such as a restriction in the acreage of planting of wheat. North Dakota, for instance, certainly would find the situation with respect to employment affected as a result of such action by the Federal Government.

What difference would it make to a man who lost his job? The man would have a family to support. He would be in the same unfortunate position in losing the job regardless of why he lost the job.

I think we should adopt the amendment and make sure that the unemployed would be treated on the basis of equality.

Mr. SALTONSTALL. Mr. President, will the Senator yield for a question?

Mr. WILLIAMS of Delaware. I yield.

Mr. SALTONSTALL. It is a question of economics as to whether the man loses his position because the firm in which he is working cannot compete or because of a slowdown, or whether he loses his position because of a change in import duties and the business going abroad. I cannot see that there is any difference, from the standpoint of economics, as to why the man loses his job.

Mr. WILLIAMS of Delaware. Neither can I.

Mr. SALTONSTALL. What we wish to do is to maintain State responsibility.

Mr. WILLIAMS of Delaware. That is correct. I cannot see that there would be any difference. On many occasions there will be a very thin line of deterioriation. It could not be determined fairly. Applications would be placed before the board, and there would be many borderline decisions to be made. The decision might be made that the cause for the unemployment was imports, domestic competition, or inefficiency on the part of management. I do not think the fate of the worker should be tied up in that question.

Mr. SALTONSTALL. We wish to be fair to the worker.

Mr. WILLIAMS of Delaware. We should be fair to the worker.

Mr. SALTONSTALL. But that is a responsibility of the State, as to how much is involved.

Mr. WILLIAMS of Delaware. I think it is. I have sufficient confidence that the respective States would be fair to the workers. If they are not, that would be a problem the people should deal with at the State level.

The bill as written could be used as a political football.

Mr. MILLER. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. MILLER. As I read the language of the bill, without the amendment offered by the Senator from Virginia [Mr. BYRD] I detect that possibly there might be unjust enrichment. Let us consider the situation in which the average weekly manufacturing wage is $100. Let us say a worker was paid $100 a week and was thrown out of employment. Under the bill he would receive $65 a week; is that correct?

Mr. WILLIAMS of Delaware. Yes.

Mr. MILLER. Let us assume that the man went to work somewhere else, at a salary of $100 a week. The bill would provide that the amount allowed to him would be reduced by 50 percent of the remuneration, or by $50. The remaining allowance plus his remuneration combined, would still leave the man $115, which, I think, is better than otherwise would be the case.

Mr. WILLIAMS of Delaware. There is a limitation in the bill and I quote section 323(e):

(e) Whenever, with respect to any week of unemployment, the total amount payable to an adversely affected worker as remuneration for services performed during such week, as unemployment insurance, as a training allowance referred to in subsection (d), and as a trade readjustment allowance would exceed 75 percent of his average weekly wage, his trade readjustment allowance for such week shall be reduced by the amount of such excess.

Mr. MILLER. I appreciate this explanation. I should like to take the example one step further.

In a situation where the State did not have a requirement that assistance be reduced by only 50 percent of the outside compensation, the man would come out ahead of his coworker in a similar situation, because he would have to reduce his compensation only by 50 percent of the amount of remuneration, whereas the State might require another worker to reduce by 100 percent of the remuneration.

Mr. WILLIAMS of Delaware. That is correct.

Mr. MILLER. I thank the Senator.

Mr. WILLIAMS of Delaware. The amendment offered by the Senator from Virginia [Mr. BYRD] would correct that situation.

Mr. MANSFIELD. Mr. President, I yield myself 10 minutes.

Mr. President, there can be no dispute that an expansion of our international trade would benefit us greatly in terms of economic growth, employment, and foreign relations. Because of those factors the bill as been reported by the Committee on Finance. Nor can there be any doubt that we have great opportunities to expand that trade. But we all must recognize that we cannot expand our exports without accepting some increase in imports, and that try as we will those imports will cause some injury to American firms and workers.

This afternoon the Senate defeated the amendment offered by the Senator from Nebraska [Mr. CURTIS], which would have done away with clauses in the pending bill seeking to recompense workers and firms hurt because of imports from overseas. That amendment was a "killer amendment," because the purpose was to kill the Trade Act, now pending.

The pending amendment would seek to downgrade the amount paid from that set at a national level to that compatible with the payments made on an unemployment compensation basis in the States. The pending amendment is not a "killer amendment," but certainly it would dilute to a great extent the effectiveness of the bill now being considered.

Traditionally we have provided some relief from such injury through the escape clause provisions for tariff judgment. Under H.R. 11970 such relief would still be available.

However, the philosophy of the bill is that if a trade expansion program such as that proposed is to be effective there must be a means of dealing with injury resulting from expanded trade other than by restricting that trade.

The means provided in this bill is through adjustment assistance to firms and workers injured by imports. This assistance would be available when injury was not widespread enough to warrant tariff relief or when the national interest prevented the granting of such relief. It would also be available more promptly than tariff relief and would assist in getting injured firms and workers back into the competitive stream where they could contribute to our expanding trade and enjoy its benefits themselves.

Now, some have questioned the fact that under H.R. 11970 most workers laid

off because of imports would receive allowances at the rate of 65 percent of their average wages rather than at the level of their unemployment compensation, which would be lower in most cases.

I believe that this provision is fully appropriate, and that workers who might lose their jobs because of imports would be entitled to such assistance.

There is no need for concern that the payment of such allowances to workers laid off because of imports would discriminate unfairly against those out of work for other reasons or that this program would injure regular State unemployment compensation systems.

These import-affected workers would not be casualties of supply and demand or any other impersonal economic force. Instead, their unemployment would be directly attributable to a decision of the Federal Government taken in the national interest. Certainly, the Federal Government would owe a special obligation to those injured by such actions.

Furthermore, in the trade area we as a Government have long recognized the need to protect firms and workers in connection with import competition, and through the tariff and the escape-clause procedure we have provided special protection against imports—protection not available to firms and workers faced with other forms of competition.

The fact is that adjustment assistance is an alternative form of protection to such special tariff relief for those in import industries.

For all these reasons I strongly oppose the amendment to strike the adjustment assistance program in the form suggested and now before us. This adjustment program is an integral part of the Trade Expansion Act. It provides a constructive solution to the problems that we will have to face in securing the benefits of expanded trade. It provides such solutions in the best traditions of our economy—by stimulating individual effort to adjust to competition—by providing time for American adaptability and resiliency to assert themselves.

Seen in this way, the adjustment assistance provisions are as essential to the concept of the trade bill as any of the other safeguards it contains. In fact, the escape clause procedure, the staging requirement for phasing tariff reductions over 5 years, and the adjustment assistance provisions all complement each other. Their common purpose is to provide a variety of tools which the President can utilize in helping our economy to engage in ever-increasing volumes of world trade.

The adjustment assistance program will contribute a great deal to expanding our trade and to promoting our economic growth. It will increase our competitive ability and provide better security for firms and workers at the same time.

I urge all who support expanded world trade and economic justice to vote against this amendment to change the adjustment assistance program as reported out of the committee.

Mr. KERR. Mr. President, will the Senator yield 3 minutes?

Mr. MANSFIELD. I yield.

Mr. KERR. No worker could receive relief under this section of the bill unless the Tariff Commission should find that he was displaced by reason of unfair competition developing through the proposed trade program. If members of an industry should go before the Tariff Commission under the escape clause to obtain relief in the form of an increased tariff, that worker would keep his job and receive 100 percent of his salary. If, however, the industry were damaged, the worker might lose his job by reason of the operation of this law. Then after the Tariff Commission found that he was in such a position because of the operation of the law, he would receive 65 percent of his salary in the form of assistance or workmen's compensation. Since his loss would have resulted because of the workings of the Federal Government, naturally the Federal Government should pay the cost of the worker's unemployment compensation.

In view of the fact that he could not receive the benefits unless he were unemployed by reason of the proposed program, it would be only simple justice that he be compensated. If his industry or his employer in an industry were saved through a higher tariff, the worker would continue to work and would get 100 percent. But failing that, should his industry lose out and no longer operate, and the worker became unemployed and his compensation were reduced to 65 percent, from the standpoint of simple justice to the worker he should be asked to take no loss. Certainly the Congress that would enact the law that brought about the condition in which he finds himself should not penalize him because of his suffering from what the Congress itself had done.

Mr. BYRD of Virginia. Mr. President, I yield back the remainder of my time.

Mr. MANSFIELD. Mr. President, I yield back the remainder of my time. I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Virginia [Mr. BYRD], for himself and the Senator from Delaware [Mr. WILLIAMS].

All time having been yielded back, and the yeas and nays having been ordered, the clerk will call the roll.

Mr. HUMPHREY. I announce that the Senator from Nevada [Mr. CANNON], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Tennessee [Mr. GORE], the Senator from Michigan [Mr. HART], the Senator from Florida [Mr. HOLLAND], the Senator from Oregon [Mrs. NEUBERGER], and the Senator from Arizona [Mr. HAYDEN], are absent on official business.

I further announce that the Senator from Alaska [Mr. GRUENING] is necessarily absent.

On this vote, the Senator from Nevada [Mr. CANNON] is paired with the Senator from Texas [Mr. TOWER]. If present and voting, the Senator from Nevada would vote "nay," and the Senator from Texas would vote "yea."

On this vote, the Senator from Alaska [Mr. GRUENING] is paired with the Senator from Colorado [Mr. ALLOTT]. If present and voting, the Senator from Alaska would vote "nay," and the Senator from Colorado would note "yea."

On this vote, the Senator from Michigan [Mr. HART] is paired with the Senator from Maryland [Mr. BUTLER]. If present and voting, the Senator from Michigan would note "nay," and the Senator from Maryland would vote "yea."

On this vote, the Senator from Florida [Mr. HOLLAND] is paired with the Senator from Nebraska [Mr. HRUSKA]. If present and voting, the Senator from Florida would vote "nay," and the Senator from Nebraska would vote "yea."

On this vote, the Senator from Oregon [Mrs. NEUBERGER] is paired with the Senator from New Hampshire [Mr. MURPHY]. If present and voting, the Senator from Oregon would vote "nay," and the Senator from New Hampshire would vote "yea."

Mr. KUCHEL. I announce the Senator from Colorado [Mr. ALLOTT] is absent on official business as a U.S. representative to the General Assembly of the United Nations.

The Senator from South Dakota [Mr. BOTTUM], the Senator from Maryland [Mr. BUTLER], the Senator from Indiana [Mr. CAPEHART], the Senator from Nebraska [Mr. HRUSKA], the Senators from New York [Mr. JAVITS and Mr. KEATING], the Senator from Kentucky [Mr. MORTON], and the Senator from New Hampshire [Mr. MURPHY] are necessarily absent.

The Senator from Texas [Mr. TOWER] is necessarily absent attending the Republican State Convention as required by Texas law.

On this vote, the Senator from South Dakota [Mr. BOTTUM] is paired with the Senator from New York [Mr. JAVITS]. If present and voting, the Senator from South Dakota would vote "yea," and the Senator from New York would vote "nay."

On this vote, the Senator from Indiana [Mr. CAPEHART] is paired with the Senator from New York [Mr. KEATING]. If present and voting, the Senator from Indiana would vote "yea," and the Senator from New York would vote "nay."

On this vote, the Senator from Colorado [Mr. ALLOTT] is paired with the Senator from Alaska [Mr. GRUENING]. If present and voting, the Senator from Colorado would vote "yea," and the Senator from Alaska would vote "nay."

On this vote, the Senator from Maryland [Mr. BUTLER] is paired with the Senator from Michigan [Mr. HART]. If present and voting, the Senator from Maryland would vote "yea," and the Senator from Michigan would vote "nay."

On this vote, the Senator from Nebraska [Mr. HRUSKA] is paired with the Senator from Florida [Mr. HOLLAND]. If present and voting, the Senator from Nebraska would vote "yea," and the Senator from Florida would vote "nay."

On this vote, the Senator from New Hampshire [Mr. MURPHY] is paired with the Senator from Oregon [Mrs. NEUBERGER]. If present and voting, the Senator from New Hampshire would vote "yea," and the Senator from Oregon would vote "nay."

On this vote, the Senator from Texas [Mr. TOWER] is paired with the Senator from Nevada [Mr. CANNON]. If present and voting, the Senator from Texas would vote "yea," and the Senator from Nevada would vote "nay."

The result was announced—yeas 31, nays 51, as follows:

[No. 262 Leg.]

YEAS—31

Aiken	Ervin	Robertson
Beall	Goldwater	Russell
Bennett	Hickenlooper	Saltonstall
Boggs	Jordan, N.C.	Stennis
Bush	Jordan, Idaho	Talmadge
Byrd, Va.	Lausche	Thurmond
Carlson	McClellan	Wiley
Cotton	Miller	Williams, Del.
Curtis	Mundt	Young, N. Dak.
Dirksen	Pearson	
Eastland	Prouty	

NAYS—51

Anderson	Hickey	Monroney
Bartlett	Hill	Morse
Bible	Humphrey	Moss
Burdick	Jackson	Muskie
Byrd, W. Va.	Johnston	Pastore
Carroll	Kefauver	Pell
Case	Kerr	Proxmire
Chavez	Kuchel	Randolph
Church	Long, Mo.	Scott
Clark	Long, Hawaii	Smathers
Cooper	Long, La.	Smith, Mass.
Dodd	Magnuson	Smith, Maine
Douglas	Mansfield	Sparkman
Ellender	McCarthy	Symington
Engle	McGee	Williams, N.J.
Fong	McNamara	Yarborough
Hartke	Metcalf	Young, Ohio

NOT VOTING—18

Allott	Gore	Javits
Bottum	Gruening	Keating
Butler	Hart	Morton
Cannon	Hayden	Murphy
Capehart	Holland	Neuberger
Fulbright	Hruska	Tower

So the amendment offered by Mr. BYRD of Virginia for himself, and Mr. WILLIAMS of Delaware, was rejected.

Mr. KERR. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. MANSFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

FINANCIAL AND TECHNICAL ASSISTANCE

Mr. HUMPHREY. Mr. President, a number of Senators have inquired as to the administration of provisions of this bill governing financial and technical assistance to firms injured as a result of competition from imported articles and products.

I might say that these provisions reflect the well-known interest of the distinguished chairman of the Finance Committee to avoid nonessential Federal expenditures for they are designed to avoid duplication of staff and effort, and to make maximum use of existing facilities, rather than create new agencies to handle these programs. Enactment, some weeks ago, of legislation broadening the scope of the Small Business Administration's authority to make loans following a referral of a certified adjustment proposal is an encouraging sign that the President will use existing agencies, their personnel and experience in administering these programs. This legislation—Public Law 87-550, July 25, 1962—authorizes SBA to make loans under the circumstances cited above, using the provisions of H.R. 11970 to supplement present SBA authority.

Under the adjustment provisions contained in sections 311 through 314 of the bill, if the Secretary certifies an injured firm's proposal for its economic adjustment and, for example, if the firm requires financing to carry out its proposal, the Secretary will refer the proposal to the appropriate agency having lending authority. Farmers will probably be referred to the Department of Agriculture, miners and fishermen to the Department of Interior, businessmen generally to the SBA, and some applicants perhaps to the Area Redevelopment Administration. The agency to which the proposal is referred will determine whether it will grant financial assistance, and will specify the terms and conditions of the assistance that it can provide under its own legislation.

Only when the referral agency declines to furnish any financial assistance and the Secretary determines such assistance to be necessary to carry out the proposal, may the Secretary utilize his "residual" lending authority under the bill to furnish such assistance. The Secretary may also use his lending authority to supplement assistance granted by the referral agency, again provided he determines that such additional assistance is necessary to carry out the proposal. Even when in the "relatively few cases" that the Director of the Bureau of the Budget has told us that this authority may be invoked, he has assured the committee that the Secretary will make maximum use of the personnel, skills, and facilities which already exist in the various Government agencies and not create a lending agency in the Department of Commerce. Technical assistance under the bill will be administered in the same way.

Mr. BUSH obtained the floor.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. BUSH. I yield.

Mr. MANSFIELD. Would the Senator consider adopting a time limitation on the amendment which he intends to offer?

Mr. BUSH. I am glad to do so.

Mr. MANSFIELD. How much time would the Senator suggest be allowed on the amendment?

Mr. BUSH. I should like to have 20 minutes for myself. I do not believe I will use all of that time, unless I am interrupted, but 20 minutes to a side would be sufficient, with the hope that we would not use all the time allowed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that on the amendment which the Senator from Connecticut will offer the time be limited to 40 minutes, 20 minutes to be controlled by the Senator from Connecticut and 20 minutes to be controlled by the Senator from Montana.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. BUSH. Mr. President, I request the yeas and nays.

The PRESIDING OFFICER. The amendment has not yet been offered.

Mr. BUSH. I offer my amendment identified as "9-17-62—N".

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 3, it is proposed to strike out lines 16 through 22.

Mr. BUSH. Mr. President, I can be quite brief in explanation of my amendment.

The PRESIDING OFFICER. The request of the Senator from Connecticut for a yea-and-nay vote on his amendment has not been acted on.

Mr. BUSH. Mr. President, on my amendment, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. BUSH. Mr. President, the amendment would strike from the bill section 202, which authorizes the President to eliminate duties entirely on an article, simply on the ground that it has already been cut, or would be cut under the Dillon round concessions, to 5 percent ad valorem or less. To argue that the greater the reductions in the past, the less the need for the protection which is left is completely illogical. Yet that is the basis for section 202.

The administration at first tried to justify this provision on the ground of "administrative convenience." This has never been accepted as a basis for removing protection afforded domestic industries. The Government's convenience is not to be served at the expense of domestic industries, agriculture, and workers. As a matter of fact, this provision of the bill strikes hardest at our lumber, fishery, and minerals industries. These are the very groups whose distress has been the greatest from import injury in the past.

Mr. President, if an article is important to Common Market negotiations, it very likely will be subject to other sections of the bill, such as 211, 212, or 213. And any article, regardless of level of duty, can be reduced 50 percent under section 201(b) of the bill. There is simply no justification for the additional power to wipe out low-rate duties whether the ground be administrative convenience, or the simple desire on the part of the administration to increase its free trade power as much as possible.

Mr. President, to show the wide-ranging application of section 202, I call attention to the list of affected articles, prepared by the administration, appearing at pages 312 to 327 of the Ways and Means Committee hearings. The items included in that listing may be summarized as follows: Lumber of all types, rough or sawed; fish and products, fresh or frozen, filleted, and prepared or preserved in any manner; fruits; meat and poultry products; minerals and ores, such as feldspar, clays and earths, mica, lead, zinc, residual oil, amorphous graphite, aluminum hydroxide, gypsum, sandstone, limestone, crude silica, cement,

and calcined bauxite; metals, such as babbit metal and solder, sponge iron, cast iron castings, pig iron, iron and steel rails, antimony, nuts and washers, nickel in pigs, structural steel, nails and spikes, iron and steel sheets and shapes, lead alloys, zinc sheets, wire rods, bar iron, chains, bolts, and malleable iron plates.

So we have a very far-reaching grant of power placed in the bill for no reason at all. Administrative convenience is not an acceptable reason. The report of the Committee on Ways and Means disputes the suggestion of the administration that such low duties have no economic significance. It is not needed for EEC negotiations. Why then? Simply to maximize the virtually total power to transfer our tariff structure into one gigantic free list.

We should strike section 202 from the bill. I urge that my amendment to that effect be adopted.

Mr. CURTIS. Mr. President, will the Senator from Connecticut yield?

Mr. BUSH. I yield to the Senator from Nebraska.

Mr. CURTIS. I shall support the amendment and be delighted to become a cosponsor of it.

I have before me a list which confirms the list which the Senator from Connecticut has read. However, this list is a little more diversified. It was provided to me by the Department of Agriculture and is based on 1957 imports on which the duty was 5 percent or less. It is a formidable list. It includes sheep and lambs, swine, fresh chilled pork, frozen pork, bacon and hams, pork sausage, canned cooked hams, vension, extract of meat, skimmed milk, live poultry, birds, buckwheat flour, corn, oatmeal, and many other agricultural products.

Among the forest products included are round or hewn timber, sawed lumber and timber, including Douglas-fir, hemlock, larch, spruce, pine, and other types of wood.

If I may have the permission of the distinguished Senator from Connecticut, I should like to have the list of products printed at the conclusion of his remarks. It will show that the power that is proposed to be given to the President to wipe out these tariffs entirely.

I believe the amendment of the Senator from Connecticut should prevail. Forty-seven percent of our imports are now on the free list. The revenue effects of the bill are not small; they exceed half a billion dollars.

Mr. BUSH. Mr. President, I ask unanimous consent that the request of the Senator from Nebraska be honored.

The PRESIDING OFFICER. Is there objection?

There being no objection, the list was ordered to be printed in the RECORD.

(See exhibit 1.)

Mr. BUSH. Mr. President, I am grateful to the Senator from Nebraska for raising this point.

EXHIBIT 1

Value of agricultural imports in 1957 on which the duty was 5 percent or less but not free (excludes forest products and naval stores)

[In thousands of dollars]

	Value
Value of total agricultural imports	3,923,265
Value of duty-free agricultural imports	2,530,807
Total value of dutiable agricultural imports	1,392,461
Value of agricultural imports on which there is a duty of 5 percent or less, except duty-free imports	257,764
Value of agricultural imports on which there is a duty of 5 percent or less as a percent of value of total dutiable agricultural imports (percent)	18.5

Agricultural commodities on which the duty or its ad valorem equivalent was 5 percent or less based on imports in 1957 thereof

Tariff No.	Statistical No.	Brief description of commodity	Duty average (percent)[1]	Value of imports, 1957
702	0012 000	Sheep and lambs	4.0	$331,000
702	0012 200	Goats	.8	----------
703	0013 000	Swine, except for breeding	2.1	72,000
703	0020 100	Fresh, chilled pork	2.7	1,565,000
703	0020 500	Frozen pork	2.8	8,814,000
703	0031 200	Bacon, hams, etc; not cooked, etc	2.4	1,596,000
703	0031 400	Pork sausage, except fresh	1.9	760,000
703	0031 800	Canned cooked hams and shoulders	4.1	75,549,000
703	0031 990	Other pork, preserved, etc	4.1	9,613,000
704	0023 300	Venison, fresh, chilled or frozen	3.3	655
705	0096 000	Extract of meat	3.8	3,449,110
706	0023 600	Edible offal; livers, etc., fresh chilled frozen	#6.0	59,000
			(4.8)	
707	0038 000	Whole milk, fresh or sour	2.6	----------
707	0038 200	Skimmed milk, fresh or sour	1.5	----------
711	0014 500	Live poultry, etc	2.1	11,000
711	0015 500	Baby chicks	4.8	12,000
712	0025 900	Birds, dead, dressed or undressed, fresh, etc	1.7	1,000
712	0026 100	Birds, prepared, etc.; chickens, etc	4.7	----------
712	0026 900	Birds, prepared, etc., other than chickens or turkeys, etc	4.2	708,000
723	1025 000	Buckwheat	3.4	82,000
723	1090 120	Buckwheat flour, and grits or groats	2.6	----------
724	1931 600	Corn—certified seed	1.8	417,188
726	1090 220	Oatmeal, etc	4.5	14,000
727	1059 100	Rice meal, etc	1.6	12,000
729	1067 000	Wheat, unfit for human consumption	#5.0	13,174,000
730	1119 900	Oil cake, etc., n.s.p.f	3.1	33,037
730	1181 000	Bran, shorts, etc., other wheat byproducts etc., for direct importation	#2.5	5,142,000
730	1182 000	Bran, shorts, etc.; other wheat byproducts, withdrawn from bond	#2.5	32,000
730	1185 000	Beet pulp, dried	3.7	1,195,000
730	1190 000	Malt sprouts and brewers' grain	2.5	2,341,000
730	1190 100	Byproducts feeds, etc	#2.5	915,000
730	1190 200	Mixed feeds	#2.5	770,000
730	1190 300	Grain hulls	3.0	158,000
730	1190 700	Dogfood, unfit for human consumption, etc	#2.5	117,000
731	1190 400	Screenings, etc., of grain, except flaxseed	#2.5	3,171,000
731	1190 410	Flaxseed screenings, etc	#2.5	1,049,000
732	1090 170	Cereal breakfast foods, etc	#5.0	870,000
734	1311 000	Apples, green or ripe	3.7	3,593,000
734	1330 010	Apples, dried, etc	4.0	69,000
735	1330 110	Apricots, green, ripe, in brine	3.8	20,000
735	1330 120	Apricots, dried, etc	3.0	8,000
736	1312 000	Blueberries, natural or in brine	6.2	755,000
			(4.2)	
736	1312 300	Berries, natural, etc.; strawberries, etc., June 15 to Sept. 15	1.5	2,000
736	1312 300	Berries, etc.; strawberries, etc., Sept. 16 to June 14	.2	314
736	1312 500	Lingon or partridge berries, natural or in brine	1.3	84,000
736	1312 700	Raspberries, etc., January to June 30 and Sept. 1 to Dec. 31	5.0	$7,000
736	1312 700	Raspberries, etc., July 1 to Aug. 31	2.7	893,000
737	1313 300	Cherries, natural, etc	3.1	185,000
738	1250 320	Malt vinegar	5.2	19,000
			(3.2)	
738	1770 500	Apple cider	2.4	388,000
742	1318 300	Grapes, hothouse	.7	5,000
742	1318 500	Grapes, other than hothouse (Feb. 15 to June 30)	2.8	703,000
743	1303 000	Lemons	3.1	10,000
743	1330 320	Mandarin oranges, canned	3.0	2,358,000
745	1330 610	Peaches, etc. (Dec. 1 to May 31)	3.0	186,000
747	1308 100	Pineapple in bulk (except product of Cuba)	1.6	376,000
747	1308 200	Pineapples, not in crate or bulk (except product of Cuba)	5.0	1,500
748	1330 510	Prunes, prunelles, and plums, etc. (Feb. 1 to May 31)	2.1	67,000
748	1330 530	Prunes, prunelles, and plums, in brine	#.9	32,000
753	2501 000	Hyacinth bulbs	2.9	1,908,000
753	2503 000	Tulip bulbs	6.3	5,663,000
			(4.3)	
753	2504 000	Narcissus bulbs	6.6	1,303,000
			(4.6)	
753	2505 000	Lily bulbs	4.7	385,000
753	2506 000	Crocus corms	4.6	369,000
754	2552 000	Rose stock and plants, seedlings and cuttings, etc; 3 years old or less	2.3	36,000
754	2552 100	Rose plants, budded, etc	4.0	----------
755	2551 000	Cuttings, layers, etc., of fruit stock	2.1	22,000
757	1356 000	Brazil nuts, shelled	2.7	4,399,000
757	1357 000	Brazil nuts, not shelled	3.1	2,549,000
758	1351 000	Coconuts, in shell, not product of Cuba or Philippines	2.5	699,000
761	1375 000	Pignolia nuts, shelled	4.1	286,000
761	1375 100	Pignolia nuts, not shelled	4.4	1,000
761	1376 000	Pistache nuts, shelled	1.8	230,000
761	1376 100	Pistache nuts, not shelled	1.2	4,449,000
761	1377 000	Cashew nuts	3.6	24,329,000
761	1378 000	Edible nuts, n.e.s., shelled	4.7	13,000
761	1378 100	Edible nuts, n.e.s., not shelled	3.6	61,000
762	2231 000	Castor beans	3.8	2,236,000
762	2235 000	Poppy seed	.4	1,278,000
763	2401 000	Alfalfa seed	3.5	38,000
763	2410 020	Canadian bluegrass seed	5.8	48,000
			(3.8)	
763	2410 030	Kentucky bluegrass seed	3.0	344,000
763	2410 070	Meadow fescue seed	5.2	311,000
			(3.2)	
763	2410 080	Chewing fescue	3.0	18,000
763	2410 090	Other fescue	3.2	2,111,000
763	2410 300	Timothy seed	2.5	80,000
763	2410 310	Bromegrass seed	2.2	638,000
763	2410 350	Wheatgrass seed	2.9	19,000

Footnotes at end of table.

Agricultural commodities on which the duty or its ad valorem equivalent was 5 percent or less based on imports in 1957 thereof—Continued

Tariff No.	Statistical No.	Brief description of commodity	Duty average (percent)[1]	Value of imports, 1957
763	2410 500	Grass seeds and forage crop seeds, n.e.s	2.4	$1,590,000
764	1525 000	Celery seed	5.2 ([2] 3.2)	445,000
764	2451 000	Cabbage seed	4.3	33,000
764	2452 000	Canary seed	3.4	2,196,000
764	2456 000	Spinach seed	1.6	161,000
764	2460 130	Cauliflower seed	3.2	20,000
764	2460 260	Mangelwurzel seed	4.8	1,257
764	2460 310	Mushroom spawn	2.3	----------
764	2460 400	Parsley seed	1.1	4,000
764	2460 600	Tree and shrub seed	.7	294,702
764	2460 700	Flower seed	.4	422,000
764	2460 990	Seeds, n.s.p.f	3.5	205,000
766	1210 030	Beets (other than sugar)	#5.0	----------
767	1199 000	Lentils	1.8	173,000
767	1199 100	Lupines	2.8	63,000
769	1196 000	Peas (except cowpeas and chickpeas), green or unripe (July 1 to Sept. 30)	4.7	1,000
773	1206 000	Turnips and rutabagas	2.1	2,723,000
774	1210 100	Celery, fresh, n.e.s	4.4	5,000
776	1210 010	Endives as crude chicory, fresh, n.e.s	2.6	329,000
776	1250 000	Coffee essences, substitutes, etc	1.1	9,240,000
777	1502 100	Cocoa, unsweetened	4.2	12,419,000
777	1503 000	Chocolate, sweetened, in bars, etc., weighing 10 pounds or more each	2.4	449,000
777	1503 500	Chocolate, unsweetened	2.0	6,181,000
779	1101 000	Hay	4.6	916,000
779	1190 500	Straw	2.9	3,762,000
779	2936 000	Broomcorn	3.7	796,000
779	2945 200	Rice straw and fiber	.6	----------
780	2811 100	Hop extract	2.0	----------
781	1549 400	Sage (unground)	3.6	440,000
781	1550 090	Mace, ground, n.e.s	1.8	----------
781	1550 170	Curry and curry powder, etc	4.8	$6,000
783	3003 400	Cotton, 1 1/16 inches or more in stable length	3.5	3,456
806(a)	1770 307	Prune juice, etc	4.4	2,480
806(a)	1770 309	Cherry juice, etc	3.4	807,984
808	1770 650	Ginger ale, lemonade, etc	3.2	69,367
1001	3261 000	Flax, hackled	3.6	----------
1001	3262 400	Flax, not hackled	2.9	808,000
1001	3262 700	Flax noils	2.2	120,000
1001	3262 800	Flax tow	1.5	487,000
1001	3262 900	Flax straw	.5	----------
1001	3263 000	Hemp, hackled	3.1	----------
1001	3263 200	Hemp, not hackled	2.0	122,000
1001	3263 300	Hemp tow	2.2	----------
1102(b)	3535 050	Hair of alpaca, etc.: In the grease or washed.	6.2 ([3] 4.2)	5,355,000
1102(b)	3535 100	Hair of alpaca, etc: On the skin	2.9	21,000
1102(b)	3535 300	Hair of alpaca, etc.: Sorted or matched, if not scoured.	6.6 ([3] 4.6)	12,000
1102(b)	3535 400	Hair of alpaca, etc.: Scoured	1.9	----------
1102(b)	3537 050	Hair of cashmere goat: In the grease or washed (non-Communist country).	5.6 ([3] 3.6)	395,000
1102(b)	3537 800	Hair of cashmere goat: Sorted, or matching, if not scoured (non-Communist country).	5.2 ([2] 3.2)	9,985,000
1102(b)	3537 800	Hair of cashmere goat: Sorted or matching, if not scoured (Communist countries)	4.9	1,083,000
		Total	----------	257,764,050

[1] The rates of duties shown represent the ad valorem equivalent calculated on the 1957 imports except as noted by #.
[2] If a concession is negotiated during the 5th Round Tariff Conference.
[3] Minimum rate.
Source: Trade Policy Division, Jan. 8, 1962.

Value of certain forest products imported in 1957 on which the ad valorem equivalent duty was 5 percent or less

Tariff number	IRC number	Statistical number	Brief description of commodity	Duty average (percent)[1]	Value of imports, 1957
401	----------	4035 300	Round or hewn timber n.s.p.f.: Used for spars, etc	0.7	$8,000
401	4551 (1)	4103 100, 4103 300	Sawed lumber and timber n.s.p.f.: Mixed fir, hemlock, and larch	1.7	16,566,000
401	4551 (1)	4104 010, 4104 020	Sawed lumber and timber n.s.p.f.: Douglas-fir	0.6	50,028,000
401	4551 (1)	4104 040, 4104 050	Sawed lumber and timber n.s.p.f.: Other fir	1.6	3,766,000
401	4551 (1)	4105 100, 4105 300	Sawed lumber and timber n.s.p.f.: Hemlock	1.4	19,878,000
401	4551 (1)	4108 000	Sawed lumber and timber n.s.p.f.: Larch	0.7	242,000
401	4551 (1)	4106 730	Sawed lumber and timber n.s.p.f.: Sitka spruce	1.0	2,382,000
401	4551 (1)	4106 760	Sawed lumber and timber n.s.p.f.: Western white and Engelmann spruce	.3	53,438,000
401	4551 (1)	4106 790	Sawed lumber and timber n.s.p.f.: Other spruce	1.1	14,431,000
401	4551 (1)	4107 200	Sawed lumber and timber n.s.p.f.: Northern white and Norway pine	.2	3,107,000
401	4551 (1)	4107 700	Sawed lumber and timber n.s.p.f.: Other pine	.9	17,381,000
1803 (1)	4551 (1)	4110 000	Sawed lumber and timber n.s.p.f.: Cedar siding	.5	6,124,000
1803 (1)	4551 (1)	4110 300	Sawed lumber and timber n.s.p.f.: Other cedar (except Spanish cedar and siding of cedar species)	.8	17,675,000
1803 (1)	4551 (1)	4110 900	Sawed lumber and timber n.s.p.f.: Other softwood n.e.s	1.2	462,000
1803 (1)	4551 (1)	4118 300	Sawed lumber and timber n.s.p.f.: Maple, birch, and beech: Other than flooring	.8	15,194,000
1803 (1)	4551 (1)	4118 000	Sawed lumber and timber n.s.p.f.: Balsa	2.8	948,000
1803 (1)	4551 (1)	4118 600	Sawed lumber and timber n.s.p.f.: Teak	.5	660,000
1803 (1)	4551 (1)	4118 150	Sawed lumber and timber n.s.p.f.: Japanese maple and white oak: Other	.9	67,000
1803 (1)	4551 (1)	4200 100	Sawed lumber and timber n.s.p.f.: Spanish cedar: Other	1.0	26,000
404	4551 (1)	4202 100	Sawed lumber and timber n.s.p.f.: Mahogany: Sawed (rough and flooring)	4.3	29,000
1803 (1)	4551 (1)	4202 400	Sawed lumber and timber n.s.p.f.: Mahogany: Other	.8	4,153,000
1803 (1)	4551 (1)	4204 800	Sawed lumber and timber n.s.p.f.: Philippine type hardwoods: Not product of Philippines	.9	6,051,000
1803 (1)	4551 (1)	4204 850	Sawed lumber and timber n.s.p.f.: Granadilla, rosewood, and satinwood: Other	.6	4,000
1803 (1)	4551 (1)	4204 900	Sawed lumber and timber n.s.p.f.: Other hardwood lumber not a product of Cuba	.96	3,148,000
			Total	----------	235,798,000

[1] The ad valorem equivalent shown represents duty plus IRC tax imposed on the basis of 1957 imports.
Source: Trade Policy Division, Jan. 8, 1962.

Mr. THURMOND. Mr. President, will the Senator from Connecticut yield?

Mr. BUSH. I yield to the Senator from South Carolina.

Mr. THURMOND. The Senator from Connecticut is eminently correct in the position which he takes. I commend him for offering the amendment.

Section 202 permits the elimination of duty simply because it is 5 percent or less. It is sought on the ground of administrative convenience. The Ways and Means Committee rejected the contention that such duties have little or no economic significance. If an article is important to European Trading Community negotiations, it will fall within section 211, 212, or 213. Any article may be reduced 50 percent under section 201(b). No justification exists for the elimination of duties on the ground of administrative convenience. If that were a valid ground, all duties could be eliminated, since it would be less trouble for the Government if there were no necessity for the collection of customs.

The only treatment of this provision that I can find in the report of the Committee on Finance is contained on the middle of page 8. It merely reads:

> The President would also be authorized to reduce or remove entirely all duties which were 5 percent or less on July 1, 1962. This would include articles which were reduced to 5 percent or less in the 1961–62 negotiations.

That is certainly no justification of the necessity for this section. The report of the Ways and Means Committee of the other body on this particular provision indicated that the majority rejected the administration's argument in support of this provision. Nevertheless, they included it in the bill for no apparent reason. I believe that section 202 should be deleted from H.R. 11970.

Mr. BUSH. I thank the Senator. I call attention to the fact that he is one of the sponsors of this amendment and other amendments which have been

filed and which are at the desk. I very much appreciate his comments.

Mr. CARROLL. Mr. President, will the Senator from Connecticut yield?

The PRESIDING OFFICER (Mr. SMITH of Massachusetts in the chair). Does the Senator from Connecticut yield to the Senator from Colorado?

Mr. BUSH. I yield.

Mr. CARROLL. What is the existing ad valorem percentage? The Senator has mentioned lead and zinc.

Mr. BUSH. I cannot inform the Senator from Colorado as to the exact amount.

Mr. CARROLL. The Senator has mentioned mining; and I wish to put a question to the expert. I may support the amendment if I can get an answer to my question.

Mr. BUSH. I hope the Senator from Colorado will support the amendment.

Mr. CARROLL. If the Senator from Connecticut will permit me to put a question to the expert in connection with this matter——

Mr. BUSH. I am glad to yield briefly on that point.

Mr. KERR. Mr. President, I yield 1 minute to the Senator from Colorado.

The PRESIDING OFFICER. The Senator from Colorado is recognized for 1 minute.

Mr. CARROLL. Mr. President, I asked the Senator from Connecticut about the ad valorem duty on lead and zinc.

Mr. KERR. I do not know what it is; but under the bill it is not eligible for negotiation to a lower point than the present one.

Mr. CARROLL. That is my impression.

Mr. KERR. Under the bill there is no authority to negotiate a lower tariff rate on lead and zinc for the duration of the bill.

Mr. BUSH. But that is not provided in section 202, which gives the President the power to eliminate the duty——

Mr. KERR. The point is that lead and zinc have been the subjects of an escape-clause action; and, under the provisions of the bill, any commodity with reference to which there has been escape-clause action is not subject to having its tariff dealt with by negotiation under the bill for a period of 5 years.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator from Connecticut yield?

Mr. BUSH. I yield.

Mr. WILLIAMS of Delaware. In line with the question which has been asked, I point out that under the provisions of the bill, lead, zinc, and petroleum products are exempt from any reduction of tariff for the full period of 5 years. Let us admit it—this is a proposal to lower tariffs on all but certain commodities; and the ones I have named are exempted in their entirety.

Mr. BUSH. For a period of 5 years.

Mr. WILLIAMS of Delaware. Yes; lead, zinc, and petroleum products are exempted for a period of 5 years—in other words, for the entire life of the bill. For some reason the administration gave this group special consideration.

Mr. CARROLL. I thank the Senator from Delaware. That answers my question.

Next, I should like to know the present ad valorem duty on fluorspar and how it would be changed by the bill.

Mr. BUSH. My answer is that if the tariff or duty on it is 5 percent or less, it could be eliminated, unless my amendment were adopted and enacted into law.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator from Connecticut yield?

Mr. BUSH. I yield.

Mr. WILLIAMS of Delaware. Perhaps that commodity, too, could have been taken care of if its producers had been successful in making a similar "deal" with the administration.

Mr. BUSH. Yes. I think we owe an obligation to the Senator from Colorado for this opportunity to point out how, under the bill, special treatment would be given to certain favored, powerful interests.

Mr. CARROLL. Mr. President, will the Senator from Connecticut yield again to me?

Mr. BUSH. I yield for a question.

Mr. CARROLL. The Senator from Connecticut made some references to rails and nails and other items which affect my State.

Mr. BUSH. They affect all States.

Mr. CARROLL. As I understand the bill, if there is some discrimination, the President can also move the rate upward. I ask the Senator from Virginia whether I have a correct understanding of the bill.

Mr. BUSH. Mr. President, I did not yield for a general discussion of the bill. We are now discussing the amendment of the Senator from Virginia. If the Senator from Colorado wishes to ask a question in connection with the amendment, I yield.

Mr. CARROLL. That is my purpose. The able Senator from Connecticut mentioned nails and rails; and I have a great interest in them, because there is but little steel in Colorado. I have not yet made up my mind about the effect of section 202, and I am seeking information.

Mr. BUSH. Mr. President, I agreed to a very drastic time limitation. If the Senator from Colorado wishes to inquire about the duty on each of the items I have mentioned, I am sorry that I cannot yield time for that purpose.

Mr. CARROLL. I do not wish to embarrass the able Senator; but when the lists are read by the Senator from Connecticut and the Senator from Nebraska, and when some of the commodities on the lists affect my State, I wish to know the nature of the provisions. That is why I have asked the question.

Mr. BUSH. I do not blame the Senator from Colorado for seeking to know the nature of the provisions of the bill. I can state in a general way that these items are on the general list of items which have a tariff duty of 5 percent or less; and section 202 of the bill, which we seek to eliminate, gives the President authority to eliminate those tariffs, merely as a matter of convenience.

Mr. CARROLL. Mr. President, will the Senator from Connecticut yield for another question?

Mr. BUSH. I yield.

Mr. CARROLL. I am trying to determine whether the President will have authority to raise the tariff. We have been told that under the bill he will have authority to eliminate the duty. I understood the Senator from Virginia to say that the President does have the power to raise the tariff.

Mr. BUSH. But not under this section, which we seek to eliminate. The President has that power under another section.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. BUSH. I yield.

Mr. WILLIAMS of Delaware. It is true that the President has the power to increase the tariff, but that is tied to another provision which states that the President can increase the tariffs only with the consent of the country affected. So, in effect, he is not entirely empowered to increase tariffs.

Mr. MAGNUSON. Mr. President, will the Senator from Connecticut yield?

Mr. BUSH. I yield.

Mr. MAGNUSON. If the tariff is 5 percent ad valorem——

Mr. BUSH. Or less.

Mr. MAGNUSON. Yes, or less, then the President will not have authority to change it either up or down, unless resort is had to the Tariff Commission, under the escape clause.

Mr. BUSH. No. Section 202, which we seek to eliminate, gives the President authority to eliminate the tariff on items which have a 5 percent or less ad valorem duty.

Mr. MAGNUSON. Or to raise them?

Mr. BUSH. No, not under section 202, which we seek to eliminate. Other sections of the bill give the President authority to raise tariffs.

Mr. MAGNUSON. But under this section the President would have authority to lower the tariffs, would he?

Mr. BUSH. Yes.

Mr. MAGNUSON. So if the duty on a certain article were 5 percent, there would be no chance to raise it?

Mr. BUSH. Not under this section.

Mr. MAGNUSON. Who picked out the magic formula of 5 percent? Did it come out of the air.

Mr. BUSH. Yes, out of the hot air, from the administration, under this bill.

Mr. MAGNUSON. I do not mean hot air. Probably it was cold, calculating air.

Mr. BUSH. Yes. The only excuse given for this provision is the excuse of convenience. If it is to be excused on the ground of convenience, why limit it to 5 percent? Why not extend it to 10 percent? Or perhaps it will be more convenient to eliminate all of them.

Mr. MAGNUSON. If the President is to be given authority—with which I agree—under section 201, why should not he be given such authority for all articles, regardless?

Mr. BUSH. That is the point. Why not just give him authority to eliminate all of them—both the 5 percent, the 10 percent, and the others.

Mr. LAUSCHE. Mr. President, will the Senator from Connecticut yield?

Mr. BUSH. I yield.

Mr. LAUSCHE. If the President is to have the right to eliminate tariffs of 5 percent or less, under what section of the bill—if I may direct this question to the Senator from Delaware—are lead, zinc, and probably other commodities to be exempt if the tariff is now 5 percent or less?

Mr. WILLIAMS of Delaware. On page 12, section 225 beginning in line 15, and down through the rest of that section. These commodities are not named, but that is the effect of this language.

Mr. BUSH. That is under the title "Reservation of Articles From Negotiations."

Mr. LAUSCHE. Why permit some articles to be exempt if the tariff on them is 5 percent or less?

Mr. BUSH. That was done in order to obtain support for the bill.

Mr. WILLIAMS of Delaware. I think the Senator from Connecticut is correct; and I strongly objected to this procedure. I think a trade bill could have been passed on its merits. I say that as one who for years has supported the reciprocal trade program. Certainly the bill could have been passed on its merits rather than on the basis of having "deals" made in the smoke-filled rooms downtown.

Mr. FONG. Mr. President, will the Senator from Connecticut yield?

Mr. BUSH. I yield.

Mr. FONG. Are fruits included in this list?

Mr. BUSH. Yes.

Mr. FONG. Under those circumstances, pineapple would be included, would it?

Mr. BUSH. I presume so. It is a most delicious fruit.

Mr. FONG. I have received a letter which states that the tariff on pineapples is three-fourths of a cent a pound, and that that amounts to 6 percent ad valorem. But if the price of imported pineapples rose, and if the tariff remained at three-fourths of 1 cent per pound, the effect would be to reduce the tariff from 6 percent to perhaps 5 percent, would it not?

Mr. BUSH. Yes. So perhaps the Senator from Hawaii should vote for this amendment.

Mr. FONG. Yes; and I think I will vote for it. I thank the Senator from Connecticut.

Mr. CURTIS. The list I have states that pineapples in bulk, except from Cuba, have a duty of 1.6 percent; pineapples, not in crates, 5 percent.

Mr. BUSH. Mr. President, if there are no further questions, I am about to yield the floor. I will reserve such time as I have.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. BUSH. I yield myself 2 minutes.

Mr. KERR. I yield 2 minutes to the Senator from Connecticut.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MAGNUSON. Mr. President, if the Senator will yield for a question, I understand that section 202, if it were to remain in the bill, would allow a President to cut tariffs that are below 5 percent.

Mr. BUSH. It would allow him to eliminate the tariff.

Mr. MAGNUSON. But that has nothing to do with the authority later in the bill to raise tariffs.

Mr. BUSH. That is correct.

Mr. MAGNUSON. If one is under 5 percent, there is the possibility or the potential for one to be wiped out; but if it is under 5 percent, the President can also raise the tariff.

Mr. BUSH. If it is under 5 percent, the President can eliminate the tariff. He has authority elsewhere in the bill to raise tariffs, with the consent of the other countries, of course.

Mr. KERR. Mr. President, I yield myself 5 minutes.

I remind Senators that the section of the bill which the Senator from Connecticut seeks to delete is only an authority entirely consistent with every other element of authority given to the President under this bill to negotiate.

Mr. President, it is certainly presumed, and rightly so, that he will not give away any tariff, that he will make no concession, unless an appropriate and adequate concession is received in return; and that would be the case here.

The Senator from Nebraska was complaining earlier because under the bill the President had authority to raise tariffs, although the Senator voted for the amendment in the bill which gave the President such authority. Now the Senator from Connecticut is complaining because, under the bill, the President would have the authority, if the tariff were 5 percent or less, on the basis of negotiations and concessions received, to eliminate the tariff entirely.

It is a little strange that, on the one hand, the opponents of the bill should complain because the President had the authority to raise the tariff and, on the other hand, seek to delete from the bill the authority of the President to reduce the tariff.

The provisions of the bill are consistent with all of those that have been passed. For 8 years the Congress gave the same authority, on a different basis, in different degree, but basically the same authority, to the then distinguished President of the United States. I never heard voices lifted on the other side of the aisle against the provisions of such bills.

The bill provides in principle only the same kind of authority for a Democratic President. There is a complaint because in the bill there is authority for a Democratic President to raise tariffs to the extent he finds necessary, or to impose quotas if he finds them necessary, and at the same time there is authority for the President in the negotiations, to give in the form of a concession, a reduction of tariffs in return for a concession. Certainly that is consistent with the principle of a free-trade bill which Congress has passed in every program that has been before it, under the authority of previous laws extending the provisions of the reciprocal trade program.

Therefore, I urge that the amendment not be adopted.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. KERR. For a question.

Mr. CURTIS. Is it not true that all previous trade agreement authorizations limited the power of the President to reduce tariffs by 50 percent?

Mr. KERR. I believe they did.

Mr. CURTIS. And is it not true that in the pending bill there is delegated to the President authority to cut beyond 50 percent, down to zero, tariffs on commodities as to which the United States and the European free-trade community represent 80 percent of the world trade?

Mr. KERR. In case the tariff is 5 percent or less. In that regard I remind the distinguished Senator there would be no such tariff now in existence if it had not been reduced to that basis by President Eisenhower's negotiations under previous trade bills.

Mr. CURTIS. That is entirely beside the point.

Mr. KERR. But it is entirely accurate.

Mr. CURTIS. There is a long list of agricultural, forest, and other products on which the tariffs can be cut entirely. That is what we are considering here.

Mr. KERR. If we were contemplating possible horrors, if we were contemplating the probability that under this authority the President would abuse it, we could describe the situation——

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. KERR. I yield myself an additional 5 minutes. We could describe the situation with far greater adverse potentiality if the tariff were 25 or 30 percent and the President had authority to reduce it 50 percent, or a total of 12 or 15 percent.

Under the pending bill, the authority to eliminate the tariff entirely is only with relation to the products on which the tariff does not exceed 5 percent. It is not an invitation to the President to remove the tariff. He will not gratuitously, in return for no concession at all, eliminate the tariff. Under this bill, he has only the authority to do so in negotiations for concessions which he regards as being of as great or greater advantage than the ones he would be relinquishing by the elimination of the tariff.

I again remind the Senator that the amendment in the bill, which he sponsored and then came on the floor and criticized, is authority for the President to increase the tariff by any amount he finds necessary for the protection of domestic industry.

Mr. MAGNUSON. Mr. President, if the Senator will yield, could the President increase the tariff if the tariff on certain articles were under 5 percent?

Mr. KERR. He could, by any amount he might choose, or he could impose quotas if he should find them necessary to protect American industry.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. KERR. For a question.

Mr. CURTIS. If it is not the intent to injure industries, why are the proponents of the bill insistent upon the unemployment compensation and the lending provisions?

Mr. KERR. Those are safeguards in the event industries are injured.

Since the Senator from Nebraska has brought the question up, I will say to him that in previous times when extension bills were before the Senate we had letters from President Eisenhower in which he said, "I will not permit injury to any domestic industry. I give my word that such will not be the case."

I have heard described in the debate numerous American industries which have been injured under the operation of this program by reason of the negotiations and concessions of the previous administration.

There is a difference in the approach of the pending bill compared to those we have previously considered. There is a recognition of the possibility—yes, even the probability—that some American industries may be injured.

Mr. CURTIS. Would not the Senator say that was the intention?

Mr. KERR. That possibility is faced responsibly under the terms of the bill, by giving the industry or the workers the right to go to the Tariff Commission and obtain a finding to justify compensation for the injuries sustained.

I say to the Senator from Nebraska that he knows this as well as I do that heretofore those injuries have been sustained and ignored. They have been "pushed under the rug."

The pending bill faces the problem on a responsible basis by saying, "If such injury occurs, the workers who are made unemployed or the industry damaged can go to the Tariff Commission and establish a basis for relief."

Mr. LONG of Louisiana. Mr. President, will the Senator yield?

Mr. KERR. I yield to the Senator from Louisiana.

Mr. LONG of Louisiana. Is it not true, in judging whether one should vote for or against the bill, one should test his conscience and his judgment to see whether he thinks in the administration of the bill the Executive will handle the power in such a way as to make the program work to the overall benefit of the national interest? If a person thinks otherwise, he ought to vote against the bill.

Mr. KERR. The Senator is entirely correct. If a person thinks otherwise, he ought to present an amendment not only to eliminate any authority under this bill, but also to vitiate any agreements already made, whereby injuries have previously occurred.

Mr. LONG of Louisiana. What was the vote by the Committee on Finance with respect to favorably reporting the bill?

Mr. KERR. There are 17 members of the Finance Committee, and the vote reporting the bill to the Senate was 17 to 0. That included the vote by the distinguished Senator from Nebraska [Mr. CURTIS].

Mr. LONG of Louisiana. I thank the Senator.

Mr. KERR. Mr. President, I yield back any remaining time.

The PRESIDING OFFICER. All time has been yielded back.

The question is on agreeing to the amendment offered by the Senator from Connecticut [Mr. BUSH]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Nevada [Mr. BIBLE], the Senator from Nevada [Mr. CANNON], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Michigan [Mr. HART], the Senator from Florida [Mr. HOLLAND], the Senator from Oregon [Mrs. NEUBERGER], and the Senator from Missouri [Mr. SYMINGTON] are absent on official business.

I further announce that the Senator from Alaska [Mr. GRUENING] is necessarily absent.

I further announce that, if present and voting, the Senator from Missouri [Mr. SYMINGTON], and the Senator from Alaska [Mr. GRUENING] would each vote "nay."

On this vote, the Senator from New Mexico [Mr. CHAVEZ] is paired with the Senator from Nebraska [Mr. HRUSKA]. If present and voting, the Senator from New Mexico would vote "nay" and the Senator from Nebraska would vote "yea."

On this vote, the Senator from Michigan [Mr. HART] is paired with the Senator from Texas [Mr. TOWER]. If present and voting, the Senator from Michigan would vote "nay" and the Senator from Texas would vote "yea."

On this vote, the Senator from Oregon [Mrs. NEUBERGER] is paired with the Senator from New Hampshire [Mr. MURPHY]. If present and voting, the Senator from Oregon would vote "nay," and the Senator from New Hampshire would vote "yea."

On this vote, the Senator from Nevada [Mr. BIBLE] is paired with the Senator from Florida [Mr. HOLLAND]. If present and voting, the Senator from Nevada would vote "yea," and the Senator from Florida would vote "nay."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. ALLOTT] is absent on official business as a U.S. representative to the General Assembly of the United Nations.

The Senator from South Dakota [Mr. BOTTUM], the Senator from Maryland [Mr. BUTLER], the Senator from Indiana [Mr. CAPEHART], the Senator from Nebraska [Mr. HRUSKA], the Senators from New York [Mr. JAVITS and Mr. KEATING], the Senator from Kentucky [Mr. MORTON] and the Senator from New Hampshire [Mr. MURPHY] are necessarily absent.

The Senator from Texas [Mr. TOWER] is necessarily absent attending the Republican State Convention as required by Texas law.

The pair of the Senator from Colorado [Mr. ALLOTT] has been previously announced.

On this vote, the Senator from North Dakota [Mr. BOTTUM] is paired with the Senator from New York [Mr. JAVITS]. If present and voting, the Senator from North Dakota would vote "yea," and the Senator from New York would vote "nay."

On this vote, the Senator from Indiana [Mr. CAPEHART] is paired with the Senator from New York [Mr. KEATING]. If present and voting, the Senator from Indiana would vote "yea," and the Senator from New York would vote "nay."

On this vote, the Senator from Nebraska [Mr. HRUSKA] is paired with the Senator from New Mexico [Mr. CHAVEZ]. If present and voting, the Senator from Nebraska would vote "yea," and the Senator from New Mexico would vote "nay."

On this vote, the Senator from New Hampshire [Mr. MURPHY] is paired with the Senator from Oregon [Mrs. NEUBERGER]. If present and voting, the Senator from New Hampshire would vote "yea," and the Senator from Oregon would vote "nay."

On this vote, the Senator from Texas [Mr. TOWER] is paired with the Senator from Michigan [Mr. HART]. If present and voting, the Senator from Texas would vote "yea," and the Senator from Michigan would vote "nay."

Mr. GORE. On this vote I have a pair with the senior Senator from Colorado [Mr. ALLOTT]. If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I withhold my vote.

The result was announced—yeas 25, nays 55, as follows:

[No. 263]

YEAS—25

Aiken	Curtis	Pearson
Beall	Dirksen	Prouty
Bennett	Fong	Talmadge
Boggs	Goldwater	Thurmond
Bush	Hickenlooper	Wiley
Byrd, Va.	Jordan, Idaho	Williams, Del.
Carlson	Lausche	Young, N. Dak.
Church	Miller	
Cotton	Mundt	

NAYS—55

Anderson	Jackson	Muskie
Bartlett	Johnston	Pastore
Burdick	Jordan, N.C.	Pell
Byrd, W. Va.	Kefauver	Proxmire
Carroll	Kerr	Randolph
Case	Kuchel	Robertson
Clark	Long, Mo.	Russell
Cooper	Long, Hawaii	Saltonstall
Dodd	Long, La.	Scott
Douglas	Magnuson	Smathers
Eastland	Mansfield	Smith, Mass.
Ellender	McCarthy	Smith, Maine
Engle	McClellan	Sparkman
Ervin	McGee	Stennis
Hartke	McNamara	Williams, N.J.
Hayden	Metcalf	Yarborough
Hickey	Monroney	Young, Ohio
Hill	Morse	
Humphrey	Moss	

NOT VOTING—20

Allott	Fulbright	Keating
Bible	Gore	Morton
Bottum	Gruening	Murphy
Butler	Hart	Neuberger
Cannon	Holland	Symington
Capehart	Hruska	Tower
Chavez	Javits	

So Mr. BUSH's amendment was rejected.

Mr. HUMPHREY. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. KERR. Mr. President, I move to lay that motion on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Oklahoma.

The motion was agreed to.

Mr. DIRKSEN. Mr. President, on behalf of the distinguished Senator from New York [Mr. JAVITS], who has been unavoidably detained by a very important political convention in the State of New York, in which he has something more than an casual and transient interest, I offer an amendment.

The PRESIDING OFFICER. The amendment of the Senator from New York will be stated.

The LEGISLATIVE CLERK. On page 18, between lines 14 and 15, it is proposed to insert the following:

(c)(1) The Special Representative for Trade Negotiations shall appoint a Council of Advisers which shall consist of not to exceed fifty appointive members to be selected from the major organizations in the United States representing industry, agriculture, and labor. In addition, the congressional delegates to negotiations, selected pursuant to section 243, shall, during any period in which they are accredited members of a United States delegation to any negotiation under this title, serve as ex officio members of such Council. The Special Representative shall serve as chairman of such Council. Members appointed to such Council, while attending meetings or otherwise engaged in the performance of their duties as members of the Council, shall be entitled to receive compensation and reimbursement as provided in section 401(3), and the provisions of section 1003 of the National Defense Education Act of 1958 (20 U.S.C. 583) shall apply to such members.

(2) Members of the Council of Advisers shall give advice and counsel with respect to products of direct interest to them to members of any United States delegation to negotiations under this title, and to the United States delegates to any other international meeting dealing with modifications of existing trade restrictions. The Special Representative for Trade Negotiations shall provide members of the Council with such information with respect to such negotiations and meetings as he determines will enable such members to fully and effectively discharge their functions under this subsection.

Mr. MANSFIELD. Mr. President, I should like to propound a unanimous-consent request in relation to the pending amendment. I ask unanimous consent that the time allotted for the amendment be 4 minutes, 2 minutes to a side.

The PRESIDING OFFICER. Is there objection?

Mr. CURTIS. Mr. President, reserving the right to object, what was the request?

Mr. MANSFIELD. Four minutes, 2 minutes to a side.

Mr. GOLDWATER. Mr. President, reserving the right to object, I think the distinguished majority leader is asking 100 percent too much time.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The Senator from Illinois is recognized.

Mr. DIRKSEN. Mr. President, the amendment is extremely simple. It provides nothing more than an advisory council of 50 members selected from industry, labor, and agriculture to serve in an advisory and consultative capacity to the special representative for negotiations provided in the bill.

They would be consulted and be available to consult with. They would be paid if and when they were on duty. That is as far as the amendment provides.

Personally, I think it is a capital idea and particularly so because of experience I have had. I remember my experiences under the so-called reciprocity committee. It was most difficult ever to get a story told before that group. The amendment would put that activity in a different light, and would make possible consultation with those who have a particular interest in a given line of activity, whether it be labor or agriculture, or industry. I think that is in the great American tradition. I hope that the committee could accept an amendment of the kind proposed.

Mr. MORSE. Mr. President, will the Senator yield me 30 seconds, so that I may reply in opposition to the amendment?

Mr. MANSFIELD. I yield 1 minute to the Senator from Oregon.

Mr. MORSE. Mr. President, the Senator from Illinois is quite right when he says that it is a capital suggestion, in that it is a waste of capital. Any time that the administration has a problem and needs to call in someone for consultation, it can do so. There is nothing in the bill prohibiting it. To set up the kind of advisory board that is proposed would mean a considerable expense over the years, especially when 50 persons are involved. The establishment of a standing advisory board is an unnecessary waste of money. There will be some instances in which there will be need for consultation; and whenever the need arises and the request is made, I am sure it will be granted.

Mr. DIRKSEN. Mr. President, my only rejoinder is that if such a board is established, and its members are carefully selected, it can be a powerful influence for equitable treatment whenever grievances may arise.

Mr. MANSFIELD. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back, and all time has expired on the amendment. The question is on agreeing to the amendment offered by the Senator from New York [Mr. JAVITS].

The amendment was rejected.

Mr. KUCHEL. Mr. President, I rise to fashion a little legislative history. I speak for California, indeed, I speak for all States which produce certain specialty crops, such as fruits and nuts.

I should like to pose a question for purposes of clarification of the intent embodied in this bill. I address my question to the able Senator from Oklahoma, one of the Senators in charge of the bill, along with the distinguished senior Senator from Virginia [Mr. BYRD], the chairman of the Committee on Finance. Let us assume that there is in effect, or under negotiation, an orderly marketing agreement or similar international agreement with respect to a certain agricultural product. Would the Senator contemplate that the President would negotiate for the reduction of duties on such products while such an agreement was in effect or under negotiation, under the intention of this bill?

Mr. KERR. Mr. President, I assume that if the President were in the process of negotiating, or had negotiated, an orderly marketing agreement, under the provisions of the bill, he would do so for the purpose of protecting the interests of domestic industry or agriculture. If it would be prejudicial to such interests to negotiate reductions in tariffs, he would not do so. Moreover, under the bill any article which is subject to an orderly marketing agreement under the provisions of section 252 must automatically be reserved from any tariff reductions.

Mr. KUCHEL. I thank my able friend from Oklahoma for the pristine clarity with which he has just indicated the intention of this bill in this particular respect. I want it clearly understood that American agriculture will be given maximum protection under any agreement fashioned under the pending bill.

The fact is that the type of agricultural products of which I speak, which include cherries, citrus fruits, dates of all kinds, figs, various types of olive oil, and all kinds of wines produced in this country, among other products, as well as many kinds of nuts, are all primarily dependent upon the domestic market for the sale of those products. I reiterate my gratitude to the Senator from Oklahoma for spelling out the intention of this legislation.

Mr. KERR. I thank the Senator from California for making it crystal clear that all the commodities to which he has referred are agricultural commodities.

Mr. KUCHEL. In this colloquy, I speak for the interests of California agriculture and of American agriculture as they are interested in this vital problem.

Mr. BUSH. Mr. President, I call up my amendment identified as "9–17–62—C."

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 35, line 3, strike out the period and insert in lieu thereof the following: ", or a downward trend of production, sales, employment, profits, or wages and a decline in the proportion of the domestic market supplied by domestic producers."

On page 35, line 8, after the period insert the following: "The 'domestic industry producing an article which is like or directly competitive with the imported article' means that portion or subdivision of the producing organizations manufacturing, assembling, processing, extracting, growing, or otherwise producing like or directly competitive products or articles in commercial quantities. In applying the preceding sentence, the Commission shall (so far as practicable) distinguish or separate the operations of the producing organizations involving the like or directly competitive products or articles referred to in such sentence from the operations of such organizations involving other products or articles."

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. BUSH. I yield.

Mr. MANSFIELD. I ask unanimous consent that on the pending amendment there be a time limitation of 40 minutes, 20 minutes to a side, equally divided, to be controlled by the Senator from Connecticut and by the Senator from Montana.

The PRESIDING OFFICER. Is there objection?

Mr. MORSE. Mr. President, reserving the right to object, I wish to ask a few questions of the Senator from Virginia [Mr. BYRD] with regard to a part of this bill for the purpose of legislative history. Perhaps that could be done now. It is important from the standpoint of the time element involved. The unanimous-consent agreement could run following my colloquy with the Senator from Virginia.

Mr. MANSFIELD. I am certain that the Senator from Connecticut would extend that courtesy to the Senator from Oregon.

Mr. BUSH. I did not understand the request.

Mr. MANSFIELD. The Senator from Oregon would like to ask some questions of the chairman of the committee, because he has some commitments that he must keep this evening. I would appreciate it if he were allowed to do so.

Mr. BUSH. I am perfectly willing to have that done, with the understanding that I will regain the floor.

Mr. MORSE. The Senator from Connecticut would keep the floor. He would merely yield to me.

Mr. BUSH. With the understanding that I do not lose the floor, I agree, of course.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BUSH. I wonder if we could now have the yeas and nays ordered.

The yeas and nays were ordered.

Mr. MANSFIELD. May we have a ruling on the unanimous-consent request with respect to the division of the time on the amendment?

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered. The Senator from Oregon is now recognized.

Mr. MORSE. I invite the attention of the Senator from Virginia to page 83 of the bill, section 353: Additional Authority to Increase Tariffs and Impose Quotas. It reads:

> Notwithstanding any other provision of law, the President may, when he finds it in the national interest, proclaim with respect to any article imported into the United States—
>
> (1) the increase of any existing duty on such article to such rate as he finds necessary,
>
> (2) the imposition of a duty on such article (if it is not otherwise subject to duty) at such rate as he finds necessary, and
>
> (3) the imposition of such other import restrictions as he finds necessary.

I wish to have the attention also of the Senator from Washington [Mr. MAGNUSON], because this is a little different problem from the one about which he will ask the Senator from Virginia some questions later this evening, although it is on the same general subject of quotas.

The Senator from Virginia knows that Senators from the Pacific Northwest—in fact throughout the whole West—are greatly concerned about the condition of the lumber industry. The lumber industry in our part of the country is being subjected to unfair competition from Canada because of the subsidy programs, direct and hidden, on the part of the Canadian Government, which grants great favoritism to the Canadian lumber industry. The result is that the Canadian lumber industry is taking away from our lumber mills, a large percentage of the Midwest and Eastern U.S. market, because of the various forms of direct and indirect subsidy which it receives from the Canadian Government.

All that western Senators have been asking for is an opportunity for our lumber industry to compete on an equal basis with Canada. We do not ask to be placed in a favored position vis-a-vis Canadian lumber mills, but we do not like to compete with both the Canadian mills and the Canadian Government.

The President of the United States has taken a direct interest in the problem. Several weeks ago, as the Senator from Washington [Mr. MAGNUSON] will bear out, western Senators and Representatives met with the President at a White House conference on this subject, and the President promulgated what has become known as the White House program. It seeks to give our lumber industry an opportunity to compete on a basis of equality with Canadian mills. The President took an interest in this question on the basis of the facts which we presented to him, as he took an interest in the problems of the textile industry. However, the two subjects call for different administrative treatment.

One of the requests the congressional delegation from the West made to the President was that the President appoint a negotiating commission to call upon and negotiate with the Canadian Government, to see if a voluntary quota agreement could not be arranged with the Canadian Government. At first, the Canadian Government indicated strong resistance to any such proposal.

The record is clear that the Senator from Washington [Mr. MAGNUSON] and the senior Senator from Oregon expressed themselves on that subject in speeches on the floor of the Senate. We insisted and persisted in our demand that the Government of the United States make perfectly clear to the Government of Canada that we wanted consideration of this subject on the merits, because a foreign trade bill was to come before the Senate in a few weeks. We made clear in our speeches in the Senate and we made clear to the administration that our position with respect to the foreign trade bill would be determined in no small measure by whether or not we could obtain some assurance that the lumber industry in the Pacific Northwest would receive consideration from our Government in respect to the unfair competition for which the Canadian Government itself was responsible. We said then that the U.S. Government had loaned many millions of dollars to the Canadian Government in the not too distant past—by that we meant within the past several weeks—in order to stabilize the economy of Canada.

One of the first things the Canadian Government did, within a matter of hours, really, after receiving those millions of dollars of loans, was to increase the imposts on one American article after another imported from the United States into Canada. The congressional delegations of the West protested to the President that we did not think such action could be justified, and that if that was the way the Canadian Government intended to act, we would be faced with no other course of action than to propose amendments to the foreign trade bill when it reached the floor of the Senate, and to fight for those amendments in an endeavor to make certain that our lumber industry did not go down the economic drain. If something is not done for the lumber industry in the Pacific Northwest, that is exactly what will happen to it: It will go down the economic drain.

We have made clear to the administration that one of the amendments which we would consider offering, unless we could get some consideration from the administration, and, through the administration, from the Canadian Government, would impose quotas on the importation of Canadian lumber to the United States. The amendment we have been considering would require a calculation of the imports of Canadian lumber into the United States for the past 10-year period, strike an average in regard to such imports, and propose that during any year when the imports from Canada reached the average for that 10-year period, a quota should be imposed.

The administration, I think rightfully, took the position that an opportunity ought to be afforded at least to try to arrange this program on a voluntary basis with the Canadian Government. Officials of the Canadian Government met with the Commission appointed by the President of the United States on this subject. They have had one meeting; another meeting is scheduled in October. The meeting was postponed until October to permit both sides to collect data and information to be considered at the next international conference on this question.

Also, the administration took the position that the lumber industry should file an application for hearings before the Tariff Commission. That application has been filed and has been accepted. As I said earlier today, in another colloquy with the Senator from Virginia, a questionnaire has been sent to the lumber industry for the collection of necessary data and evidence needed for the conduct of the hearing before the Tariff Commission and the passing of judgment upon the problem by the Tariff Commission.

The President of the United States himself, together with his advisers, made clear that the filing of such an application met with his approval as a part of the Presidential program which he

promulgated some weeks ago, dealing with the lumber problem. The Senators from Washington, the Senators from Oregon, and the Senators from other Western States have this practical legislative problem facing them tonight on the floor of the Senate: Shall we proceed to offer the amendment about which we have been speaking, an amendment which many in the lumber industry have said they would like to have us offer, and which would seek to add to the bill a provision for a quota against the importation of Canadian lumber such as I have just outlined to the Senate?

I want the lumber industry of my State to know what I have done. The Senator from Washington [Mr. MAGNUSON] can speak for himself. I have made clear to the lumber industry of my State that I seek to do what I can to help protect that industry in accordance with the merits of its case and in accordance with its legitimate rights.

The senior Senator from Oregon has made clear to the lumber industry that he is opposed to the adoption of an economic program by his Government which would amount, in fact, to exporting lumber jobs to Canada. As the Senator from Washington knows, the States of Oregon and Washington already have a chronic unemployment problem. Too many men in the lumber industry are out of employment 12 months a year because the American lumber industry has been subjected to unfair competition on the part of Canada. There is no doubt that the adoption of the amendment about which we have been speaking would provide some relief.

I say to the lumber industry of my State from my desk in the Senate tonight that I have reached a decision not to offer that amendment because, in my judgment, it cannot now be adopted, and it would not be in the best interest of the lumber industry to offer it. In my judgment, it is not necessary to offer it because I have complete confidence in my President and my administration that they will pursue this problem and give to the lumber industry the cooperation and assistance it needs to protect the lumber economy of the Pacific Northwest. I see no chance of its being passed now, because Canada is now meeting with our representatives as we seek a voluntary agreement on this subject. That was what we asked for first. Obviously, we must await the result of those negotiations before we act further.

I say to the lumber industry that I am confident that this administration intends to do everything it can to make clear to the lumber industry of Canada and the Government of Canada that our lumber industry is entitled to be freed from and relieved of competition with the Canadian Government. I have great hope that the conferences and negotiations which will take place in October will bring the beneficial results which the lumber industry needs.

In case they do not, I wish to make it clear that our Government has plenty of leeway within the field of executive action to afford protection to the U.S. lumber industry. We have the problem of transportation; we have the problem of freight rates; we have the problem of imposing restrictions on the use of American lumber in the Government program vis-a-vis Canadian lumber.

Before I ask the Senator from Virginia the question I am leading up to—and I assure him I am leading up to it—I should say that at a later date it may prove desirable to introduce proposed legislation which will require that every stick of lumber that goes into any FHA or VA housing in this country be American-milled lumber. Moreover, if the administration fails to extend to the lumber industry of the Pacific Northwest the legitimate protection to which it is entitled in connection with the unfair competition which Canada is visiting upon us, I shall consider introducing a bill to require that every stick of lumber which comes into this country from Canada or from elsewhere in the world be so stamped, and that it be graded as to quality. I hope that we will not be forced to seek legislative remedies, because I believe the executive branch already has ample power to put our lumber industry on an equal footing in competition with foreign lumber. But I shall seek legislative remedies, if it becomes necessary to do so, and I will fight for their enactment. I will also make clear to the administration that much of my own future support of it will depend upon whether it first comes to the relief of the lumber industry of the Pacific Northwest. I owe it to my State and to my administration to give that notice tonight.

Certainly Senators from the Northwest who support this bill are not taking a course of action popular with large segments of the lumber industry. The Senator from Washington [Mr. MAGNUSON] knows whereof I speak. But I think the lumber industry also owes cooperation to the President of the United States, in view of the great effort he is making to bring relief to it.

The bill contains section 353, which I read a moment ago. That section gives the President of the United States additional authority to increase tariffs and impose quotas.

So I submit this problem to the Senator from Virginia [Mr. BYRD]: Assuming that the effort of Senators from the West ends without their receiving the help we need in order to put the lumber industry on a basis of equality in competition with Canadian lumber, and assuming that we are unable to obtain a voluntary quota agreement from the Canadian Government, does the Senator from Virginia agree with me that section 353 places the President of the United States in a position in which if, on the merits, he thinks our case is sound, he will have authority under this section to impose a quota?

Mr. BYRD of Virginia. In reply to the question of the Senator from Oregon, I should say the President has the authority to do so. I read that section:

SEC. 353. ADDITIONAL AUTHORITY TO INCREASE TARIFFS AND IMPOSE QUOTAS.

Notwithstanding any other provision of law, the President may, when he finds it in the national interest, proclaim with respect to any article imported into the United States—

(1) the increase of any existing duty on such article to such rate as he finds necessary,

(2) the imposition of a duty on such article (if it is not otherwise subject to duty) at such rate as he finds necessary, and

(3) the imposition of such other import restrictions as he finds necessary.

The third clause certainly would mean quotas, if the President found it to be in the public interest and in the national interest to impose such quotas.

Mr. MORSE. That is my interpretation of the language; and I call it to the attention of the lumber industry. I point out that because we are now talking to Canada about this problem, and because of this language in the bill, I shall not offer a quota amendment. Because of this language in the bill, I can also vote for the bill, insofar as the quota problem is concerned.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. MORSE. If the Senator from Connecticut, who has the floor, will permit me to do so, I shall be glad to yield.

Mr. BUSH. Mr. President, I should like to have the Senate proceed with the pending question.

Mr. MAGNUSON. But there is some business to transact, too.

Mr. BUSH. But I have the floor.

Mr. MAGNUSON. Will the Senator from Connecticut yield to me for 5 minutes?

Mr. BUSH. But I have just yielded for 25 minutes.

Mr. MAGNUSON. But the Senator from Connecticut has had the floor all day.

Mr. BUSH. No; I have had the floor only twice. However, I yield 5 minutes to the Senator from Washington.

The PRESIDING OFFICER. The Senator from Washington is recognized for 5 minutes.

Mr. MAGNUSON. Mr. President, what the Senator from Connecticut has to say is important, and I realize that.

Let me ask whether the Senator from Oregon will yield briefly?

Mr. MORSE. I yield.

Mr. MAGNUSON. First of all, I wish to associate myself with the remarks of the Senator from Oregon [Mr. MORSE] on this subject.

While he was speaking, a Senator who was sitting beside me said, "Oh, yes; but Canada is our biggest and best customer." Mr. President, we have been hearing such statements for a long time. Of course Canada is our biggest and best customer—but only as regard products which are not manufactured in Canada.

But whenever Canada manufacturers a particular product, it does not take the Canadian Government 24 hours to place a tariff or some other protection on the importations of that article—which I think is justifiable if it is done to protect the Canadian industry in a reasonable way.

In this case we are talking about a product which American industry manufactures for the American market—namely, lumber. But the argument about Canada being our biggest and best

customer is always made when we begin to discuss this subject.

The Senator from Oregon and I and all the rest of us are very much concerned with this subject. The Senators from the South are concerned with it too, for they represent the industries in their section of the country which produce pine.

Certainly what is happening is most inequitable. First of all, the Canadians devalued their dollar, and it is now down to 92½ percent. Even if we were to take some of the actions referred to, I say to the Senator from Virginia that we can hardly compete with the Canadians when they devalue their dollar.

So we must do something in this situation.

I think the Senator from Virginia correctly answered the question of the Senator from Oregon. Certainly our lumber industry is entitled to this relief if we can prove these facts in regard to our dealings with Canada or in regard to what we sell to Canada or what Canada sells to us. But I wonder what would happen if we invaded the eastern lumber market of Canada. What do Senators think would happen then?

Mr. MORSE. Then Canada would "tariff" us right out of the market.

Mr. MAGNUSON. It is virtually certain that in 15 minutes the Canadians would hold a meeting "in council," as it is called in other words, in Parliament—to do just that. We are not talking about the sale of lumber in all the markets of the world; we are talking only about the sale of our lumber in competition with theirs. They are coming into our market, because they have devalued their dollar, and because of other reasons which I think the President and others are in all sincerity trying to correct.

So this amendment appeals to us. I could easily vote against this bill; that would be politically popular. But I will not do so.

A little later we shall submit a fish amendment. It does not amount to much; it will not affect the practical application of the bill. But it will create a sense of direction in regard to these questions.

I am sure that what the Senator from Oregon [Mr. MORSE] has said is correct. He has stated the case very factually and very well, and I wish to join him in his remarks.

At this point I should like to ask the Senator from Virginia a question on the same subject, if I may do so.

Mr. BUSH. Mr. President, the Senator from Washington has already gone far beyond the 5 minutes which have been yielded to him. Let me ask how much time he wishes to have.

Mr. MAGNUSON. I shall wait until the Senator from Connecticut has concluded.

Mr. BUSH. I should like to accommodate the Senator from Washington, but I have been waiting for half an hour or more.

Mr. MAGNUSON. I shall bring up this question later on.

Mr. BUSH. I should like to accommodate the Senator from Washington, if he will be reasonable in the amount of time he wishes to have. Does he wish an additional 5 minutes or so?

Mr. MAGNUSON. As the Senator from Connecticut knows, I do not talk a great deal on the floor of the Senate.

Mr. BUSH. Yes; neither do I.

Mr. MAGNUSON. But this question might take a little time. So I shall take it up later.

Mr. BUSH. I appreciate that consideration.

Mr. President, on the question of agreeing to my amendment, the yeas and nays have been ordered; and I should like to have the vote taken.

Mr. MAGNUSON. Mr. President, I thank the Senator from Connecticut for yielding.

Mr. MORSE. Mr. President, I, too, thank the Senator from Connecticut for his courtesy and consideration. At this time we shall desist with the understanding that when the RECORD is printed, our later remarks will appear in continuity.

Mr. MORSE subsequently said: Mr. President, I should like to have the attention of the Senator from Washington [Mr. MAGNUSON] as we complete the discussion I started some time ago.

We had pointed out, Mr. President, for the legislative history, that the lumber industry in the Pacific Northwest is greatly disturbed about the foreign trade bill, and wishes to have some assurance as to what the administration will do to give protection to the lumber industry of the Pacific Northwest. I remind my southern lumber friends that they also will be the beneficiaries of the course of action the administration will take in connection with Canadian lumber.

All we are asking is that the American lumber mills be put on a basis of competitive equality with the Canadian mills, that they be protected from the direct and indirect subsidies the Canadian Government makes available to the Canadian lumber mills, which are enabling Canadian lumber to take over an ever-increasing percentage of American lumber markets.

To my southern friends I say, "It is only a matter of time before you discover that your pine mills of the South also suffer from unfair competition from Canada."

In our colloquy earlier this evening, the Senator from Virginia [Mr. BYRD] gave assurance to the Senator from Washington [Mr. MAGNUSON] and to the senior Senator from Oregon that the permissive quota section of the bill could be used by the President to give necessary protection in case the Canadian Government does not agree to a reasonable voluntary agreement on quotas in the negotiations now in process. There has been one meeting in such negotiations. There will be another in October.

In my opinion we have good reason to place complete confidence in our President and his advisers in regard to this subject. We believe he will exercise the authority he is given by section 353 in the bill when we can show on the merits of the evidence we present that our lumber industry has a legitimate right to protection under this section.

For the record and for the information of the lumber industry of my State, I wish to say that this afternoon I was at the White House, and talked with White House advisers about this problem. I point out to the Senator from Washington that I made very clear where we who represent the Pacific Northwest stand on this question. Today I was given further assurance that the White House Conference on Lumber some weeks ago still represents the President's position. The President is determined to carry through on the representations he made at that meeting to see to it that economic justice is done to the lumber industry of our country.

I see the Senator from Idaho [Mr. CHURCH] in the Chamber. He was with us at that conference as was my colleague from Oregon [Mrs. NEUBERGER]. I want the Senate to know that my colleague from Oregon was a very effective participant in that conference. She has given much time and great effort to the problems we took up at that conference. Her work has been a valued contribution to what we all hope will be a real solution to the problems of this industry.

There is every reason to believe that there has been written into the bill language that would give to the President any added authority he may need, if it becomes necessary to use it, to see to it that economic justice is done to the industries of our States.

The Senator from Illinois [Mr. DOUGLAS] has pointed out to me section 252 (a)(3) and subsection (c), which he believes is also applicable to our problem. The first section to which I refer is on page 21 of the bill and the second section is on page 22 I wish to read section 252(a) subsection (3):

(3) notwithstanding any other provision of law or any provision of any trade agreement, impose duties or other import restrictions on the products of any foreign country or instrumentality establishing or maintaining such foreign import restrictions against United States agricultural products, to the extent he deems such duties and other import restrictions necessary to prevent the establishment or obtain the removal of such foreign import restrictions and to provide access for United States agricultural products to the markets of such country or instrumentality on an equitable basis.

I say to the lumber industry of my State in the Pacific Northwest that, in my judgment, that language of the bill would give to the President of the United States such authority as he may need to exercise, if the facts show that it should be exercised, to place restrictions upon foreign lumber that may be competing unfairly with our own, because I think there are restrictions against U.S. agricultural products that would justify its being invoked.

Let me also direct the attention of the Senate and the lumber industry in my State and in the State of Washington to subsection (c) on page 22 of the bill. We are greatly indebted to the Senator from Illinois [Mr. DOUGLAS], a member of the committee, and other members of the committee, for the fore-

sight they exercised in seeing to it that such language was put into the bill.

The section states:

(c) Whenever a foreign country or instrumentality, the products of which receive benefits of trade agreement concessions made by the United States, maintains unreasonable import restrictions which either directly or indirectly substantially burden United States commerce, the President may, to the extent that such action is consistent with the purposes of section 102, and having due regard for the international obligations of the United States—

(1) suspend, withdraw, or prevent the application of benefits of trade agreement concessions to products of such country or instrumentality, or

(2) refrain from proclaiming benefits of trade agreement concessions to carry out a trade agreement with such country or instrumentality.

Not only should the Senate and the lumber industry of my State and the other States of the Pacific Northwest take note, but also I say to Canada, "Please take note of the language in the bill; and also take note that there is a group of Senators in this body who have no intention of letting the subject drop after the bill have been passed. We are going to be here to carry on the fight to protect the lumber industry of our country against the unfair competition of Canada, if Canada refuses to enter into a voluntary agreement that will bring to an end the unfair competitive advantage that they are insisting upon through their Government subsidies, direct and indirect."

I yield to the Senator from Illinois.

Mr. DOUGLAS. I am very glad that the Senator from Oregon has made that point. I had the honor of moving the adoption of the language of section 252(c), which was adopted by the committee. I did so because, while I am a very firm believer in low tariffs and industry have been called a free trader, I felt that the provisions which were contained in the original bill were altogether too weak. They would merely have authorized the President to suspend future reductions in tariffs to countries which discriminated against us. The amendment I proposed and which was adopted would give to the President the power to suspend and withdraw all previous reciprocal agreements way back to the Smoot-Hawley Act. The Talmadge amendment would permit us to go even beyond Smoot-Hawley.

Mr. TALMADGE. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. TALMADGE. The Senator is referring to the Smoot-Hawley tariff.

Mr. DOUGLAS. The Senator is quite correct—the Smoot-Hawley tariff. We will send the President into negotiations with weapons so that if the Common Market countries or any other country or indeed any third country acts in a severe and discriminatory fashion toward us we can act in a positive fashion. We hope that this will not be necessary. But the fact that the President will have those powers will, I think, have a very great influence in helping to make the other countries adopt a better policy and not take the United States too much for granted.

I believe it will help to curb the protectionist tendencies of Germany, under which American farm products including frozen chickens and American coal have been discriminated against. It will help to check the protectionist policies of France, and if, as the Senator from Oregon has said, Canada has discriminated against us—the provision can be used in negotiations with that country. We would send the President into all negotiations armed not merely with an olive branch but with strong weapons which he can use if the European and Canadians take us too much for granted and decide we are easy marks. It is regrettable that we have to do this. But it is necessary.

Mr. MORSE. I thank the Senator from Illinois from the bottom of my heart for the work that he did on the committee to help to get this language included in the bill. I thank the Senator from Georgia [Mr. TALMADGE] also, for myself and for the lumber industry of the Pacific Northwest.

Mr. TALMADGE. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. TALMADGE. The Senator has addressed his remarks primarily to the Pacific Northwest. The lumber industry in the southeastern part of the United States is also in extremis. We have made our views known to the President and others concerned. If we do not get relief, as the Senator from Oregon has pointed out, it will be only a short time before the lumber industry in the southeastern part of the United States will be out of operation also, and many thousands of people will be unemployed.

Mr. MORSE. If the Senator from Georgia was in the Chamber during the earlier part of my remarks he heard me refer to the situation in the South. I said then that it is only a matter of time until my southern friends will be as much involved as we are now in the Pacific Northwest. We are under the economic gun of Canada shooting into the heart of our economy.

Mr. TALMADGE. The South has already arrived at that point.

Mr. MORSE. I stand shoulder to shoulder with the Senator, because this is a common cause, and we are right. When I am engaged in a common cause, I do not know what the word "quit" means.

As I close this comment on this subject, let me say that I am aware that there will be those in the lumber industry who are not going to be satisfied with this bill. However, it is evident that we have done as much as can be done in their interest at the present time. Since we have gotten the discussions with Canada underway, we are in a stronger position if we place faith in our administration, with the knowledge that in this bill we have greatly strengthened the administration in exercising the authority it needs to give protection to the lumber industry than if we tried and failed to write a statutory quota.

In my judgment, the necessity for such an amendment no longer exists, in view of the language now contained in the bill. Furthermore, if the Canadian discussions come to nothing, and if the President fails to act under any one of these sections we will have the opportunity in January of introducing legislation necessary to give protection, and I have no doubt about the fact that such legislation will be introduced. So will many other bills to give relief to American lumber.

The administration thoroughly understands that point. I made it clear this afternoon that that would be my course of action.

In view of these amendments and in view of the actions of the administration and the conversations I have had with its spokesman. I am pleased to vote for the bill.

There is another item on which I would like to make a little legislative history. It deals with cherries. Before I move to cherries, I wonder if the Senator from Washington wishes to say anything on the lumber situation.

Mr. MAGNUSON. Mr. President, I appreciate very much what the Senator from Illinois [Mr. DOUGLAS] has suggested with reference to what can be done if the facts justify some action on the part of the administration. I believe there should be a legislative record on that subject.

The pending bill provides in section 301(e) that the Tariff Commission shall determine the increase in or imposition of any duty or import restriction which is necessary to prevent or remedy an injury it finds—pursuant to an escape clause investigation under section 301(b)—to be due to increased imports of an article. The Tariff Commission includes such a determination in its report to the President.

Thus, there is no limitation on what relief the Tariff Commission can find warranted.

Section 351(a)(1) of the pending bill permits the President to proclaim any relief, either higher tariffs or restrictive quota, he judges to be needed to remedy or prevent injury. However, section 351(b)(1) imposes a ceiling on how high he can raise a tariff at 50 percent above the duty existing on July 1, 1934. No limitation is imposed on the President's authority to impose a quota or other import restriction.

The term "existing on July 1, 1934" defined in section 256(5) refers to the rate of duty, however established, and even though temporarily suspended by act of Congress or otherwise, existing on July 1, 1934.

For some reason I do not know, the term "existing on July 1, 1934" was used.

Mr. DOUGLAS. That refers to the tariffs and quotas prevailing under the Smoot-Hawley law.

Mr. MAGNUSON. That was the beginning of the Reciprocal Trade Agreements Act.

Mr. DOUGLAS. Yes.

Mr. MAGNUSON. That could be a very inequitable formula for certain industries. Of course, I realize that the committee had to start somewhere. I was about to propose an amendment which would have added the words "or the ad valorem equivalent thereof" to

section 256(5), which would have given the necessary flexibility; and the July 1, 1934, date could have been used, but with some flexibility. The Senator from Oregon and I continue to harp on the lumber industry. It is important to our economy. We do not seek anything different from any other industry.

Let me illustrate what I have in mind with the specific example of lumber. Under the Tariff Act of 1930 and the Revenue Act of 1932, lumber of fir, spruce, pine, hemlock, and larch were dutiable at $4 per thousand board feet and other softwood lumber at $3 per thousand board feet. With lumber at 1934 prices, these duties were equivalent to 16.6 percent ad valorem on imports in 1934. The unit value of lumber has risen since 1934 to a point where the average value in 1961 was approximately $70 per thousand board feet. To restore the duty to the same level as existed in fact in 1934, the present duty would have to be raised to $11.62 per thousand board feet, yet the pending bill would only allow the President to increase it to between $4.50 to $6 per thousand board feet, depending on the species.

The Senator from Illinois suggests that there are other sections of the bill which will allow the President to take care of this great inequity.

Mr. TALMADGE. Mr. President, I was about to call this point to the attention of the distinguished Senator from Oregon. If Senators will look at page 83 of the bill, section 353, subsection 2, they will find that the President is authorized to impose a duty on such an article if it is not otherwise subject to duty, at such rate as he finds necessary.

Mr. MAGNUSON. The Senator from Oregon was trying to make proper legislative history in the interpretation of the bill. I hope Senators will not be impatient with us. We are dealing not only with the ordinary tariff or export-import matter, but also with a country which has devalued its dollar down to 92½ percent. Therefore, even if we correct these inequities, we will still have to deal with a 7½ percent differential. We are willing to do that.

The Senator from Georgia worked on this amendment in cooperation with the Senator from Illinois. I appreciate this legislative history, because it is very important to us.

Mr. TALMADGE. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. TALMADGE. I commend the Senator from Illinois for his initial work in this connection. It was pointed out in the hearings, chiefly by the distinguished Senator from Illinois, that we were sending the President or his representative into battle under the terms of this act with power to reduce tariffs in some instances down to zero, but he did not have authority to deal with countries that might be protectionist inclined, as the European Economic Community has demonstrated it is. Under such conditions the President would have authority to deal both ways, either up or down, and the bill gives the President such authority.

Mr. MAGNUSON. I agree. I should like to ask one further question of the Senator from Illinois, or one of the other distinguished members of the committee. There is no restriction, as I understand, in the bill on the President of the United States, under certain circumstances and justifiable facts, in imposing a quota on any item coming into the United States. Is that correct?

Mr. DOUGLAS. I think the chairman should answer that question.

Mr. MAGNUSON. Mr. President, the question was whether under the bill the President of the United States could, under circumstances which he deemed justifiable, impose a quota on any article coming into the United States.

Mr. BYRD of Virginia. There is no question that he could do so, if it were in the public interest.

Mr. MAGNUSON. I say: If he deems it desirable, necessary, and justifiable. I assume that would mean it would have to to be in the public interest, and therefore he could impose a quota.

Mr. BYRD of Virginia. The President has that authority very plainly written in the bill.

Mr. DOUGLAS. In so doing, he can if he deems wise abrogate the reciprocal trade agreements. He is not bound by the many provisions of GATT. The laws of the United States and the decisions of the President now become supreme. Gulliver is no longer tied to the earth by the multitudinous threads of the Lilliputians.

Mr. MORSE. Mr. President. I have already thanked the distinguished Senator from Georgia [Mr. TALMADGE], but I wish to make it perfectly clear for the RECORD that I am greatly indebted to him for the work he did on the bill in regard to the inclusion of language which, in my judgment, gives to the President the authority he needs, if he will exercise it, to give to our lumber industry, North and South, the protection it deserves.

Mr. TALMADGE. Mr. President, I am grateful to the Senator from Oregon for his generosity. The language referred to was the conjunctive effort of the entire committee. We have recited that the amendment, specifically section 353, on page 83, gives the President ample authority to take any action he may deem to be in the national interest. That language was adopted by the Committee on Finance with only one dissenting vote.

Mr. MORSE. Mr. President, I now turn to another subject. I shall place most of the material in the RECORD, except that part about which I wish to question the distinguished Senator from Virginia.

CHERRY AMENDMENT

The Senator from Virginia knows that for several years, when the Senate has had trade matters under consideration, we have sought under his very able leadership to deal with the Morse cherry amendment. The Senate has adopted that amendment twice, once in 1955 and again in 1958.

Briefly, the amendment related to the problem of cherry growers who found themselves "out of court," so to speak, so far as the Tariff Commission was concerned, with respect to imports of processed cherries. The growers were told that because glazed cherries were a processsed product, they did not fall within the definition of being directly competitive with the imported product. Therefore, they were not permitted to participate in proceedings involving the importation of glazed and maraschino cherries.

I received quite an education on the use of maraschino cherries. I was not aware of the amount of their imports into the country because I was unaware that so much alcohol is consumed in the United States in cocktail form; but the information was helpful to me. So I offered an amendment, which the Senator from Virginia has always helped me move through the Senate, to enable growers to take part in these proceedings.

However, I shall not offer that amendment on this occasion because it does not appear that there is any need for it. It is my understanding—and I wish to be assured by the Senator from Virginia that my understanding is correct—that the bill in its present form contains language that would cover the problems of the cherry growers and would leave no room for doubt that they would have standing before the Tariff Commission.

Both the bill and the report of the House Committee on Ways and Means, on section 405(4), which is the section in point, indicate that the purpose of my earlier amendment is achieved in the bill. The House committee report states:

> Your committee has incorporated in the bill a provision which has the effect of permitting an extension of the scope of the term "directly competitive." Under this provision, an imported article may be considered "directly competitive with" a domestic article, or vice versa, if the one is at an earlier or later stage of processing than the other, or if one is a processed and the other an unprocessed form of the same article, and if the economic effect of importation of the imported article is comparable to the effect of importation of articles in the same stage of processing as the domestic article.
>
> The term "earlier or later stage of processing" contemplates that the article remains substantially the same during such stages of processing, and is not wholly transformed into a different article. Thus, for example, zinc oxide would be zinc ore in a later stage of processing, since it can be processed directly from zinc ore. For the same reason, a raw cherry would be a glace cherry in an earlier stage of processing, and the same is true of a live lamb and dressed lamb meat.

Mr. President, in view of the language of the bill and the language I have read from the report of the House Committee on Ways and Means, does the Senator from Virginia agree with me that the language of my previous amendment would be surplusage and unnecessary; and that, therefore, the Senator from Oregon is rightly taking the position that it is not necessary for him to offer it?

Mr. BYRD of Virginia. Mr. President, the bill provides ample authority for the President of the United States, if the public interest is involved, to establish quotas or take whatever other action may be necessary.

It also clearly provides that an imported article may be considered di-

rectly competitive even though at a different stage. I would not say that the Morse amendment is needed with the language of the bill as now constituted. Furthermore the bill itself very clearly and distinctly spells out that the President has the power, if he chooses to exercise it in the public interest, to impose quotas, tariffs, or whatever else may be necessary to protect any agricultural or industrial production in this country.

Mr. MORSE. Section 405 of the bill also makes clear that the processing element would be covered, does it not?

Mr. BYRD of Virginia. It does.

Mr. MORSE. The Senator from California [Mr. ENGLE] is the principal sponsor of another amendment I have joined in offering which would affect the cherry growers of our States. It calls for an import quota to be negotiated if any concession is made on a list of fruit and tree crops. I assume that he also agrees that the language of the bill provides the President with the needed authority to cover this problem, as well. Does the Senator agree with my view?

Mr. ENGLE. I do, indeed. I refer to page 6 of the report, on which that subject is dealt with.

The Senator from Maine [Mr. MUSKIE] proposed an amendment, which is dealt with on page 6 of the report, and which I call to the attention of the Senate. It refers to the international agreements which have been made under section 204 of the Agricultural Act of 1956, as amended, involving certain agricultural commodities and other raw materials. The amendment expands that provision and calls this particular problem to the attention of the administration. I hope the provision will be implemented in the future.

Mr. MORSE. I thank the Senator from California. The cherry growers of our section of the country are greatly indebted to him for the service he has rendered to them, not only in helping to make this legislative record, but in proposing the amendment which, in my judgment, had some influence in placing in the bill the language to which he has just referred.

Mr. ENGLE. Mr. President, in addition to paying tribute to the distinguished Senator from Oregon, who has made an excellent statement, I desire to pay tribute also to the distinguished Senator from Georgia [Mr. TALMADGE], who offered the amendment in committee. The amendment was rejected in committee; but as a result of the amendment, the report contains the language which appears on page 6. I recited only a part of it; but it performs, in part, the function which we sought to have performed, and implements the program we have in mind.

The PRESIDING OFFICER. The Senator from Connecticut has 20 minutes remaining.

Mr. BUSH. Mr. President, some time ago I called up my amendment identified as "9–17–62—C," and it was made the pending question. Is that correct?

The PRESIDING OFFICER. That is correct.

Mr. BUSH. Mr. President, this amendment would complete the process by which the so-called "escape" provision of the bill will have been brought back from the initial empty form of H.R. 9900 to some semblance of reality.

The purpose of this amendment is to add to the escape-clause provisions of the bill, as changed by the committee amendments, two principal concepts. First, it would set forth the criteria of serious injury contained in existing law. Second, it would define domestic industry in the words of existing law.

The first change is required to make it clear that the Tariff Commission will not have to meet any greater or more difficult test than now used in determining whether imports have caused serious injury.

The second change is also very important because it preserves the Commission's right to consider the effect of imports on the particular segment or part of an industry's facilities actually engaged in the production of items like or competitive with the increased imports. This also is in keeping with present practice.

Mr. President, Senators know that the escape clause now in effect is difficult and costly to invoke, and extremely uncertain in its results. The desire to retain it instead of the provisions of the bill, even as changed by the committee amendments, stems from the certain knowledge that the bill's escape provisions are so weak as to be almost meaningless. By comparison, the uncertain results of the present weak escape clause appear strong and satisfactory.

The escape clause has been in operation since 1947, when it was established by Executive order. This was the administration of President Truman, and it was his order which placed the escape clause in operation. Later, in 1951, it was written into the trade agreements law. During the time it has been in effect, the United States has made literally thousands of tariff reductions. Many hundreds of tariff items have been cut two or three times. Yet during all this period, the escape clause has been invoked by the United States only 15 times. This is a record of phenomenal restraint. Quite clearly, the frequency of the escape actions could not rationally serve as a basis of criticism against U.S. trade policy.

Yet the bill before us today seriously weakens the escape clause. It repeals the time-tested criteria of injury, the definition of industry, and the specific recognition given by Congress in the past that it is impracticable to require the Tariff Commission to find more than that concessions are a substantial cause of increased imports, and that increased imports are a substantial cause of serious injury.

To the credit of the committee, amendments have been made to the escape clause which reject the House version, requiring as it did that concessions be the sole cause of increased imports, and that increased imports be the sole cause of serious injury.

But the benefit of these changes—in themselves more stringent than existing law—is canceled out by the repeal of the definition of domestic industry, and the criteria of injury which have guided the Commission this past decade or more.

Present law directs the Commission's attention to trends in the basic economic facts bearing on injury. A downward trend of production, sales, profits, employment, or wage payments is the touchstone of injury when imports have increased and the share of the domestic market supplied by domestic producers has gone down.

The use of such trends is sensible because the policy of the law has been to prevent serious injury from occurring. It is enough when these trends in basic facts are established. Action then is justified, and will serve to preserve our domestic industries as vital contributing factors in our economy. Fifteen escape actions in as many years, constrasted with thousands of cuts in duty, show that some rough balance between competing interests can be achieved without significant disruptions to our trade commitments.

But the bill scraps these concepts. Trends are thrown overboard along with the basic policy of avoiding and preventing serious injury. The bill, even with the committee amendments, directs the Commission's attention to conditions which are the de facto evidence of disaster as an accomplished fact. Thus, section 301(b)(2) of the bill, as amended by the committee, calls for idling of productive facilities, inability to operate at a level of reasonable profit, and unemployment as the basis for escape action. Two of these are objective facts associated with economic disaster: idle plants and unemployment. Why should we withhold escape action until they are an accomplished fact?

The third condition is a subjective fact. What is inability to operate at a level of reasonable profit? Is there a difference between the fact of unreasonably low profits, on the one hand, and inability to operate at any other level of profits, on the other? How could an industry prove that it was unable to operate at a profitable level? What steps, and in what variety, and for how long a period must it have experimented with measures to overcome the income-robbing effect of excessive imports before the Commission could make the necessary finding?

And what aggregation of firms, plants, and the like is it that must meet this new burden of proof? The definition of industry now in the law to guide the Tariff Commission would be repealed by the bill. Does the repeal intend that henceforth the Commission may not use that guide? Many persons would think so. Under Secretary of State Ball, as author of the preinauguration task force report on foreign economic policy, advised the President that the escape clause should be revised so that it would be operative only "where there is a finding that an entire industry is adversely affected by increased imports resulting from a tariff cut" in order to correct the "major deficiency," as described by the Ball report, that the escape clause "is triggered not by the impact of imports on an entire multiproduct industry but by the effect on an individual prod-

duct." These quotations are to be found in the hearings of the Senate Finance Committee, Trade Expansion Act of 1962, 87th Congress, at page 1182.

So it is quite clear, Mr. President, that so far as Mr. Ball and his colleagues are concerned, escape clause action should not be permitted until imports of an article bring an entire multiproduct industry to the state of disaster described above. Do we really want this to be the guideline by which the power we are delegating to the President will be used? What is there in the record to justify such an extreme departure from the moderate safeguards of the past?

My amendment would restore the segment of industry definition which results in the Tariff Commission's measuring the impact of imports on that part of the producing organizations actually engaged in producing the like or competitive article. If that test has not yielded more than 15 escape actions in the past 15 years, it is not likely to unravel the whole ball of our trade negotiations in the future.

Let us be forthright enough to insist on at least the tiny amount of assurance which today's escape clause provides the business community. Out of a decent respect for our own responsibilities to our States and the Nation's economic strength, let us require some proof of necessity before we dismantle the procedures which safeguard our industries, farms, and workers against harm from the use of such unprecedented power as this bill contains.

Mr. SALTONSTALL. Mr. President, will the Senator yield for a question?

Mr. BUSH. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. The Senator's amendment, as I view it, has a twofold purpose. First, it would enlarge the definition as to how an industry may be harmed; and, second, it would give the Tariff Commission an opportunity to make a finding.

It would not prevent the President from reducing a tariff or not agreeing to the finding, if he did not wish to agree, would it?

Mr. BUSH. The Senator is correct.

Mr. SALTONSTALL. So far as the amendment is concerned, the only difference would be that the Tariff Commission would make a finding, is that correct?

Mr. BUSH. The Tariff Commission would, of course, have to make a finding in any case. Under my amendment we would give better criteria, as are in existing law, than would be provided in the bill pending before the Senate.

The Senator is quite correct. The amendment would not inhibit the President from reducing tariffs.

Mr. SALTONSTALL. If the President disregarded the Tariff Commission's finding, he would be required to report to the Congress; as in the present law; is that correct?

Mr. BUSH. The Senator is correct.

Mr. SALTONSTALL. The amendment would not interfere in any way with the President's reducing a tariff if he so desired?

Mr. BUSH. That is correct.

Mr. SALTONSTALL. Instead of a whole industry being involved, if the Senator's amendment were adopted one part of the industry could be considered.

Mr. BUSH. Yes. I think of the International Silver Co. in my State, which manufactures various products. Let us consider a stainless steel flatware business, which might be seriously injured, whereas the coffee urn business, or a business in similar items, might not be. This would give an opportunity to appeal, under my amendment, on the basis that a certain segment of the industry was seriously injured or threatened with serious injury.

Mr. SALTONSTALL. The amendment would broaden the definition as to what is an economic situation.

Mr. BUSH. That is correct. I thank the Senator for clarifying that point.

Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator has 7½ minutes remaining.

Mr. BUSH. I reserve the remainder of my time, Mr. President.

Mr. MANSFIELD. Mr. President, one of the amendments provides:

On page 35, line 8, after the period insert the following: "The 'domestic industry producing an article which is like or directly competitive with the imported article' means that portion or subdivision of the producing organizations manufacturing, assembling, processing, extracting, growing, or otherwise producing like or directly competitive products or articles in commercial quantities. In applying the preceding sentence, the Commission shall (so far as practibale) distinguish or separate the operations of the producing organizations involving the like or directly competitive products or articles referred to in such sentence from the operations of such organizations involving other products or articles."

It appears to me that if the amendment were adopted it would make it much easier for the Tariff Commission to find injury in any given case. Furthermore, the amendment would have the effect of breaking down an industry into segments, so that an industry would not be considered as a whole but could be broken up and considered in segments.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. BUSH. I invite the Senator's attention to page 11 of the report of the committee, on which it is virtually stated what my amendment would provide. My amendment seeks only to put into the law what the committee report says should be in the law.

I read from the middle of page 11 of the report:

Where a corporate entity has several establishments (e.g., divisions or plants) in some of which the domestic article in question is not produced, the establishments in which the domestic article is not produced would not be included in the industry. * * * In the case of multiproduct establishments in which productive resources are devoted to producing products A, B, C, and D, of which only product A is suffering from import competition, it is not necessary that the Commission find that the resources engaged in the production of any one or more of the other products have been injured.

This is exactly what my amendment seeks to put into the law, rather than to depend entirely on the committee report. We are in accord with the committee.

Mr. MANSFIELD. Mr. President, the committee report should be sufficient. This question was considered in the committee and the provision was approved by the committee.

I point out that there is a world of difference between a set of establishments, per se, and segments of the economy, which I think would be involved in the effect of the amendments under consideration. The law would be made applicable to segments.

I hope the amendments will be rejected.

I yield back the remainder of my time.

Mr. BUSH. Mr. President, I yield to the Senator from Delaware.

Mr. WILLIAMS of Delaware. Mr. President, several questions in connection with the bill have been raised by various Senators. With the cooperation of our staff, I have compiled answers to those questions. To conserve the time of the Senate, I ask unanimous consent that both the questions and the answers may be printed in the RECORD.

There being no objection, the questions and answers were ordered to be printed in the RECORD, as follows:

Question. What is the actual effect of section 352—the orderly marketing agreements section? For instance, will it give to the shoe industry any protective consideration that it does not already have, or would not have under the other sections of the bill? What was the comment of the administration to the committee on this orderly marketing provision?

Answer. With regard to marketing agreements, the administration has not made any public statements nor private commitments.

The amendment in the bill provides the enforcement procedure for marketing agreements which could have been made anyway but which would have had no enforcement procedure.

The State Department accepts the proposal—but refuses to comment on whether there is any intention to enter into any new agreements. The President has promised to look into the lumber situation—but merely indicates "shoes" as a future possibility.

It should be noted that the section on marketing agreements merely provides an alternative to tariff adjustment or other assistance under the escape clause. This does not become usable until the industry has been injured and has successfully appealed to the Tariff Commission and had a majority vote that serious injury exists.

Question. Does the bill provide any specific favored treatment or exemptive protection for any commodities? What are those commodities?

Answer. The only items not to be negotiated for new tariff cuts are those which have had Presidential action under the National Security clause, the escape clause, or

In other words a few items will be reserved from tariff cuts for 5 years. They are—

Petroleum (national security).

Escape clause: dried figs, watches, linen toweling, safety pins, thermometers, lead and zinc, stainless-steel flatware, cotton typewriter ribbon cloth, carpets and rugs, and sheet glass.

Other majority vote by Tariff Commission: fur-felt hats and bodies, hatters fur, garlic, tobacco pipes, printed-silk scarves, scissors and shears, ground fish fillets, alsike cloverseed, bicycles, lighter flints, velveteen fabrics, violins, umbrella frames, cream of tartar, tartaric acid, baseball gloves, ceramic tile, straight pins, and clothespins.

Question. In contrast, does the bill provide any such exemptive protection for the textile industry or the shoe industry or the plywood industry?

Answer. No, the bill does not provide any exemption protection for textiles or shoes.

Question. Just what protection outside of this bill has been given to the textile industry up to the present time?

Answer. The short term textile agreement was not enforced and imports increased.

Mr. BUSH. Mr. President, if there is no further request for time, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendments offered by the Senator from Connecticut [Mr. BUSH].

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. GORE (after having voted in the negative). Mr. President, on this vote I have a pair with the Senator from Colorado [Mr. ALLOTT]. If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I therefore withhold my vote.

Mr. HUMPHREY. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Nevada [Mr. CANNON], the Senator from New Mexico [Mr. CHAVEZ], the Senator from California [Mr. ENGLE], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Florida [Mr. HOLLAND], the Senator from Minnesota [Mr. MCCARTHY], and the Senator from Oregon [Mrs. NUEBERGER] are absent on official business.

I further announce that the Senator from Alaska [Mr. GRUENING] is necessarily absent.

I further announce that, if present and voting, the Senator from New Mexico [Mr. CHAVEZ] and the Senator from California [Mr. ENGLE] would vote "nay."

On this vote, the Senator from Alaska [Mr. GRUENING] is paired with the Senator from Nebraska [Mr. HRUSKA]. If present and voting, the Senator from Alaska would vote "nay," and the Senator from Nebraska would vote "yea."

On this vote, the Senator from Florida [Mr. HOLLAND] is paired with the Senator from Texas [Mr. TOWER]. If present and voting, the Senator from Florida would vote "nay," and the Senator from Texas would vote "yea."

On this vote, the Senator from Minnesota [Mr. MCCARTHY] is paired with the Senator from Kansas [Mr. PEARSON]. If present and voting, the Senator from Minnesota would vote "nay," and the Senator from Kansas would vote "yea."

On this vote, the Senator from Oregon [Mrs. NEUBERGER] is paired with the Senator from New Hampshire [Mr. MURPHY]. If present and voting, the Senator from Oregon would vote "nay," and the Senator from New Hampshire would vote "yea."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. ALLOTT] is absent on official business as a U.S. Representative to the General Assembly of the United Nations.

The Senator from South Dakota [Mr. BOTTUM], the Senator from Indiana [Mr. CAPEHART], the Senator from Nebraska [Mr. HRUSKA], the Senators from New York [Mr. JAVITS and Mr. KEATING], the Senator from Kentucky [Mr. MORTON], and the Senator from New Hampshire [Mr. MURPHY] are necessarily absent.

The Senator from Texas [Mr. TOWER] is necessarily absent attending the Republican State convention as required by Texas law.

The pair of the Senator from Colorado [Mr. ALLOTT] has been previously announced.

On this vote, the Senator from South Dakota [Mr. BOTTUM] is paired with the Senator from New York [Mr. JAVITS]. If present and voting, the Senator from South Dakota would vote "yea," and the Senator from New York would vote "nay."

On this vote, the Senator from Indiana [Mr. CAPEHART] is paired with the Senator from New York [Mr. KEATING]. If present and voting, the Senator from Indiana would vote "yea," and the Senator from New York would vote "nay."

On this vote, the Senator from Nebraska [Mr. HRUSKA] is paired with the Senator from Alaska [Mr. GRUENING]. If present and voting, the Senator from Nebraska would vote "yea," and the Senator from Alaska would vote "nay."

On this vote, the Senator from New Hampshire [Mr. MURPHY] is paired with the Senator from Oregon [Mrs. NEUBERGER]. If present and voting, the Senator from New Hampshire would vote "yea," and the Senator from Oregon would vote "nay."

On this vote, the Senator from Kansas [Mr. PEARSON] is paired with the Senator from Minnesota [Mr. MCCARTHY]. If present and voting, the Senator from Kansas would vote "yea," and the Senator from Minnesota would vote "nay."

On this vote, the Senator from Texas [Mr. TOWER] is paired with the Senator from Florida [Mr. HOLLAND]. If present and voting, the Senator from Texas would vote "yea," and the Senator from Florida would vote "nay."

The result was announced—yeas 34, nays 45, as follows:

[No. 264]

YEAS—34

Beall	Goldwater	Robertson
Bennett	Hickenlooper	Saltonstall
Bible	Hickey	Scott
Boggs	Hill	Smith, Maine
Bush	Johnston	Sparkman
Butler	Jordan, N.C.	Thurmond
Cotton	Jordan, Idaho	Wiley
Curtis	Kuchel	Williams, Del.
Dirksen	McClellan	Yarborough
Dodd	Miller	Young, N. Dak.
Ervin	Mundt	
Fong	Prouty	

NAYS—45

Aiken	Hayden	Morse
Anderson	Humphrey	Moss
Bartlett	Jackson	Muskie
Burdick	Kefauver	Pastore
Byrd, W. Va.	Kerr	Pell
Carlson	Lausche	Proxmire
Carroll	Long, Mo.	Randolph
Case	Long, Hawaii	Russell
Church	Long, La.	Smathers
Cooper	Magnuson	Smith, Mass.
Douglas	Mansfield	Stennis
Eastland	McGee	Symington
Ellender	McNamara	Talmadge
Hart	Metcalf	Williams, N.J.
Hartke	Monroney	Young, Ohio

NOT VOTING—21

Allott	Engle	Keating
Bottum	Fulbright	McCarthy
Byrd, Va.	Gore	Morton
Cannon	Gruening	Murphy
Capehart	Holland	Neuberger
Chavez	Hruska	Pearson
Clark	Javits	Tower

So Mr. BUSH's amendments were rejected.

Mr. MANSFIELD. Mr. President, I move that the Senate reconsider the vote by which the amendment was rejected.

Mr. KERR. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CURTIS. Mr. President, I call up my amendment identified as "9–17–62—P."

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 12, line 5, number the present section (a) and following line 14 add a new paragraph (b) to read as follows:

(b) Every trade agreement shall include provisions designed (1) to maintain or expand the 1957 volume of United States agricultural commodity and processed commodity exports and to decrease the restrictions on the export of such commodities and (2) to limit the importation into the United States of competitive agricultural commodity and processed commodity imports at a volume not in excess of the year 1957.

Mr. CURTIS. Mr. President, it is my contention that reciprocal trade need not abandon all protection. It is my contention that trade should be encouraged among nations when that trade is mutually advantageous to the bargaining nation. We are faced with this situation in agriculture. We are spending several billion dollars to support our agricultural economy. We are importing as great a quantity of commodities as we are exporting. There is danger that the United Kingdom will prevail upon the Common Market to turn over to the Commonwealth countries the agricultural imports which they are now buying from us. I wish to call attention to a few figures.

Several weeks ago I asked the Department of Agriculture to compile for me a list of tariffs imposed by nations of the EEC upon agricultural products of this country which are traded in any appreciable volume. With reference to wheat, rye, barley, oats, corn, grain sorghum and wheat flour, the tariff protection imposed on American products by the European community is a factor of at least six times as high as comparable tariffs on those products being imported into the United States. Additional items on this list are those processed from agricultural products which, in substance, bear out about the same disparity of tariffs leview between the European Economic Community and the United States.

I ask unanimous consent that the tabulation may be included in the RECORD at this point.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

Reciprocal EEC import duties and restrictions on specified grains [1]

[Dollars per metric ton]

Commodity	Belgium	Luxembourg	Netherlands	France	Germany	Italy	United States
Wheat	39.00	39.45	33.25	36.20	61.25	50.97	[2] 7.71
Rye	22.00	46.05	10.77	20.04	52.17	40.74	2.36
Barley	25.00	27.35	21.03	20.11	49.40	7.14	3.44
Oats	15.60	18.00	18.83	13.26	40.87	7.19	2.76
Corn	29.60	29.90	18.63	36.85	55.20	8.85	9.84
Grain sorghum	33.20	34.30	21.07	41.25	55.15	21.93	[3]
Wheat flour	[4]	[4]	66.74	[4]	[4]	[4]	[2] 11.46

[1] Effective July 30, 1962, imports of these commodities came under the regulations of the common agricultural policy whereby former customs duties and quantitative restrictions were replaced by the above variable import levies.

[2] Subject to quantitative restrictions.
[3] 5 percent ad valorem.
[4] Negligible exports.

Reciprocal EEC import duties and restrictions on poultry and eggs

Commodity	Belgium	Luxembourg	Netherlands	France	Germany	Italy	United States
Eggs:					*Per pound*		
Dry whole egg [1]	[2]	[2]	[2]	[2]	$0.3716	[2]	27 cents per pound.
Dry whole yolk [1]	[2]	[2]	[2]	[2]	$0.3673	[2]	Do.
Frozen and liquid whole egg [1]	[2]	[2]	[2]	[2]	$0.9830	[2]	Frozen or otherwise prepared or preserved, 11 cents per pound.
Frozen and liquid egg yolk [1]	[2]	[2]	[2]	[2]	$0.7457	[2]	Frozen or otherwise prepared or preserved, not specifically provided for, 11 cents per pound.
Albumen:							
Inedible	Free	Free	Free	Free	Free	[3] 4.9	Dried, 27 cents per pound.
Edible	[3] 2.4	[3] 2.4	[3] 2.4	[3] 10	[4]	[3] 11.5	Frozen or otherwise prepared or preserved, not specifically provided for, 11 cents per pound.
Slaughtered poultry: [5]							
Class I [1] [6]	12.36	15.18	9.85	19.07	17.98	6.80	Ducks, geese, and chickens, 6.6 cents; turkeys, 18.7 cents.
Class II [1] [6]	14.65	18.00	11.68	22.61	21.33	8.07	
Class III [1] [6]	15.81	19.43	12.60	24.36	23.00	8.71	

[1] Effective July 30, 1962, imports of these commodities came under the regulations of the common agricultural policy whereby former customs duties and quantitative restrictions were replaced by the above variable import levies.
[2] Negligible exports.
[3] Percent.
[4] Dried, 5.9 percent; fresh or preserved other than by drying, 8 percent; other, 11 percent.
[5] In cents per kilo.
[6] Class I—Plucked, drawn, head and feet attached (83 percent live weight).
Class II—Plucked, drawn, excluding head and feet, including giblets (70 percent live weight).
Class III—Plucked, drawn, excluding head, feet, and giblets (65 percent of live weight).

Reciprocal EEC import duties and restrictions on specified animal products

Commodity	Benelux	France	Germany	Italy	United States
Dried milk:					
Unsweetened	15.9 percent	13.8 percent [1]	18 percent [1]	18 percent [1]	Dried whole milk, 3.1 cents per pound.[1]
Sweetened	23 percent	23 percent [1]	23 percent [1]	23 percent [1]	Dried skimmed and buttermilk, 1.5 cents per pound.[1]
Tallow:					
Inedible	0.6 percent	Crude, 14.6 percent [1]; other, 11.1 percent.[1]	0.6 percent	0.6 percent	Inedible and edible: 0.125 cents per pound plus 0.75 cents per pound IRC.
Edible	3 percent	Crude, 17 percent [1]; other, 13.5 percent.[1]	Crude, 7.2 percent; other, 11.4 percent.	Crude, 12.1 percent; other, 3 percent.	
Hides and skins	Free	Free	Free	Free, except split or completely fleshed, other than sheep and goat, 2.8 percent.	Buffalo, 3 percent; cattle, calf, kip, 4 percent; other, free.
Sausage casings	do	do	do	Fresh, free chilled, 12.6 percent; frozen, 10.5 percent; dried or salted, 2.8 percent.	Free.
Lard:					
For industrial use	1.2 percent	23.3 percent [1]	1.2 percent [1]	For industrial uses: Rancid, or spoiled for use in soap works, 4 percent; other, 15.2 percent.	3 cents per pound.
Other	Free	28.4 percent [1]	20 percent [1]	20 percent	
Sausages and the like, of meat, meat offal, or animal blood:					
Liver sausage:					
Of pork	do	35.2 percent	18.4 percent	In airtight containers, 24 percent; other, 18.4 percent.	Pork sausage: Fresh, 3¼ cents per pound; others, 1⅝ cents per pound.
Other:					Meat pastes prepared or preserved, not specifically provided for, in airtight containers, canned meats not specifically provided for and prepared or preserved meat not specifically provided for (includes liver paste), 3 cents per pound, 10 percent minimum.
In airtight containers	28.2 percent	do	do	24 percent	
Other	17.7 percent	do	do	18.4 percent	
Other:					
Of pork	Free	21 percent	17.5 percent	21 percent	
Other:					
In airtight containers	27.3 percent	do	do	do	
Other	16.8 percent	do	do	do	

Footnotes at end of table.

Reciprocal EEC import duties and restrictions on specified animal products—Continued

Commodity	Benelux	France	Germany	Italy	United States
Edible offals, fresh, chilled, or frozen:					
Of horse, ass and mule species	13.2 percent	4.8 percent	18 percent	16 percent	Edible offals, fresh, chilled or frozen: Livers, kidneys, tongues, hearts, sweetbreads, tripe, and brains, 1.125 cents per pound; 5.4 percent minimum.
Of animals of the bovine species.	Frozen tongues, 13 percent; other, 14.4 percent.	6 percent	Liver, 9.5 percent; other, 13 percent.	Fresh or chilled, 20 percent; frozen, 16.5 percent.	
Of Swine	Free	6 percent	Liver, 9.5 percent; other, 13 percent.	Fresh or chilled, 20 percent; frozen, 16.5 percent.	
Of sheep and goats	12 percent	3.6 percent	17.6 percent	Fresh or chilled, 16.2 percent; frozen, 14.1 percent.	
Of poultry	Free	Goose or duck liver, 5 percent; other poultry liver, 18 percent.	Goose and duck livers, 58.73 cents per pound; other livers, 12.09 cents per pound; offals, 5.02 cents per pound.[2]	Giblets: Fresh or chilled, 18 percent; frozen, 15.9 percent. Duck or goose liver: Fresh or chilled, 16.2 percent; frozen, 14.1 percent; other poultry liver, 16 percent.	

[1] Subject to quantitative restrictions.
[2] Effective July 30, 1962, imports of these commodities came under the regulations of the common agricultural policy whereby former customs duties and quantitative restrictions were replaced by the above variable import levies.

Mr. CURTIS. Mr. President, in the discussion of the amendment offered by the distinguished Senator from Connecticut [Mr. BUSH], I inserted a list of agricultural and forest products which are now enjoying protection of 5 percent or less. In addition to that list, I now ask unanimous consent to have printed in the RECORD a memorandum which shows the category of commodities under which existing tariffs could be reduced by at least 50 percent or down to zero in the many cases wherein existing tariffs are now 5 percent or less ad valorem.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

CATEGORIES OF ITEMS SUBJECT TO ELIMINATION OF DUTY UNDER SECTION 212

Sugar; molasses and sugar sirups; unmanufactured tobacco; live animals; meat products, including fresh, chilled or frozen beef, mutton, lamb, and pork, bacon, hams and shoulders, pork sausage, canned beef and meats; poultry, live or dressed, fresh, chilled or frozen; eggs, fresh, frozen, or dried; dairy products, including milk and cream, fresh or sour, dried, condensed or evaporated, butter, oleomargarine, and cheese of all types;

Miscellaneous animal products, including gelatin, glue, casein, meat extract, bristles, edible oils, tallow, and lard; animal and fish oils, inedible; vegetable oils and fats; essential or distilled oils; oilseeds, including cottonseed, soybeans and the like; grains and preparations, including flour and meal, cereal breakfast foods, biscuits, wafers, cakes, and bread; fooders and feeds; fruits and preparations, including all fruits in the natural state, green or ripe, in brine, dried, or prepared or preserved, or frozen; jellies, jams, marmalades, and fruit butter; fruit paste and pulp; fruit juices; beverages, including still wines, vermouth, champagne, beer, ale, malt extract and nonalcoholic beverages;

Vegetables and preparations, green or ripe, dried, or prepared or preserved; nuts and preparations, shelled or unshelled, blanched, roasted or otherwise prepared or preserved; seeds; nursery and greenhouse stock; raw cotton and cotton waste; other vegetable textile fibers and silk, unmanufactured; wool and other animal hair, unmanufactured; hides and skins, raw; drugs, herbs, and the like, including those advanced in condition, and fish oils; miscellaneous vegetable products, including monosodium glutamate, yeast, flavoring extracts, vinegars, sauces, soups, pastes, coffee essence, cocoa, chocolate, chewing gum, and other edible preparations.

Mr. THURMOND. Mr. President, will the Senator yield?

Mr. CURTIS. I am operating under limited time. If I can finish my statement and have some time remaining I shall be glad to yield to the Senator from South Carolina. I am sorry that I must do that.

Our committee expanded beyond the limits of the House bill with regard to the formula in which the United States and members of the European Economic Community produce 80 percent or more of the free world export of a commodity. As you perhaps know, the Senate Committee expanded the concept to include all members of the European Free Trade Association. When Secretary Hodges appeared before the House Committee on Ways and Means, he submitted for the record a projection of commodities affected by this amendment. His projection included the United States, present members of the EEC and five other nations which may possibly become EEC members. You will note that, in the year 1960, the United States exported various types of commodities coming within this formula in the amount of $8.803 billion and imported commodities within the formula in the amount of $1.763 billion. Of this import amount, the United States received $1.199 billion from current EEC members and five other nations which will possibly become members. The current EEC nations and the five other possible members imported commodities from the United States in the amount of $2.086 billion. I am submitting for the record Secretary Hodges' analysis and table regarding this portion of the bill.

I ask unanimous consent that the analysis may be printed in the RECORD at this point in my remarks.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

ANNEX A—TESTIMONY OF HON. LUTHER H. HODGES, SECRETARY OF COMMERCE, ON THE TRADE EXPANSION ACT OF 1962—CATEGORIES IN WHICH THE UNITED STATES AND THE EUROPEAN ECONOMIC COMMUNITY PLUS FIVE POSSIBLE ADDITIONAL MEMBERS SUPPLIED 80 PERCENT OR MORE OF FREE WORLD EXPORTS IN 1960

The attached is a tabulation of those commodity groups based on the standard international trade classification (SITC), revised, of which the value of exports from the United States and six present and five other possible members of the European Economic Community together accounted for 80 percent or more of free world exports in 1960.

Such a commodity list can only be illustrative at the present time of the kinds of commodity groups which may be included in a finally selected list under the "80 percent dominant supplier formula" in the special European Common Market authority in the Trade Expansion Act of 1962. Under the provisions of the new trade legislation a definitive list of the commodity groups which would be included under the special EEC authority can only be compiled (1) at a future date which approaches the commencement of negotiations, and (2) after data have been assembled for world trade in a representative period, selected from the years since January 1, 1957, as determined by the President. Such period may include 1961, 1962, and/or 1963, for which trade statistics are not yet available. In accordance with the bill's requirements, some commodity groups included in the attached illustrative list for 1960 may not be included in the final list and others may be added, depending upon what the trade figures show for the actual representative period selected.

The list of commodities to be actually offered in negotiation under the special EEC authority, as distinguished from the maximum list of commodities which could be included as described in the preceding paragraphs, would only be put together after public hearings have been held by the President and by the Tariff Commission, and the Tariff Commission has reported to the President its views concerning the impact on American employment, productive facilities, and profits from anticipated reductions in duties on such commodities. Under the proposed law, items on which escape clause or national security action has been taken must be withheld from negotiation. In addition, the President may withhold such other items, where he deems such action to be in the best interests of the Nation and the economy.

List of SITC, revised, commodity groups of which exports from the United States and the European Economic Community and 5 other possible EEC member European countries combined total 80 percent or more of free world exports in 1960 [1]

[Values of U.S. trade with the free world, values of exports to the free world from the EEC and 5 other possible EEC member European countries, and values of their imports from each other, in millions of dollars]

SITC, revised, group No.	Commodity group	Percent of free world exports from United States, EEC, and 5 others	U.S. exports to free world	U.S. imports from free world	U.S. net trade with free world	EEC and 5 others' exports to free world, excluding EEC plus 5 intra-trade	U.S. imports from EEC and 5 others	EEC and 5 others' imports from United States
734	Aircraft	97	1,227	53	1,174	259	20	425
862	Photographic and cinematographic supplies, except cameras	93	62	29	33	93	28	13
321	Coal, coke, and briquettes	92	360	4	356	133	----------	197
613	Fur skins	91	16	9	7	21	8	6
732	Road motor vehicles	91	1,237	643	594	2,671	596	76
091	Margarine and shortenings	90	47	1	46	42	(2)	38
664	Glass, excluding glassware	89	34	54	−20	140	44	5
533	Pigments and paints	88	77	4	73	117	3	20
[3] 552	Perfumery, cosmetics, and cleansing preparations	88	74	8	66	144	7	7
731	Railway vehicles	87	126	1	125	157	(2)	1
062	Sugar confectionery and other sugar preparations	86	10	15	−5	37	12	1
111	Nonalcoholic beverages	86	1	(2)	1	13	(2)	----------
715	Metalworking machinery	86	352	36	316	355	27	95
733	Road vehicles, excluding motor	86	24	33	−9	124	25	1
712	Agricultural machinery, including tractors	85	520	136	384	414	38	30
891	Musical instruments, sound recorders, and parts	85	57	45	12	122	34	19
612	Leather manufactures	83	6	5	1	19	2	(2)
512	Organic chemicals	82	266	54	212	324	26	176
711	Power generating machinery, excluding electric	82	280	24	256	649	17	130
[3] 599	Miscellaneous chemicals, including plastics and insecticides	81	682	40	642	522	20	188
621	Materials of rubber	81	6	(4)	6	42	(4)	9
714	Office machinery	81	207	67	140	211	52	69
[3] 716	Industrial machinery, except power generating and metalworking	81	1,817	170	1,647	1,966	92	340
122	Tobacco manufactures	80	97	1	96	56	1	11
629	Articles of rubber	80	152	[4] 47	105	229	[4] 25	13
[3] 721	Electric machinery	80	1,066	284	782	1,535	122	216
	Total, 80 percent and above (26 groups)	----------	8,803	1,763	7,040	10,395	1,199	2,086

[1] The free-world export value used in these calculations includes total exports of all countries of the free world with the exception of (1) exports from the present European Economic Community member countries (Belgium, France, Federal Republic of Germany, Italy, Luxembourg, and Netherlands) and 5 other possible member countries (Denmark, Greece, Ireland, Norway, and United Kingdom) to each other; and (2) exports from the free world countries to countries dominated or controlled by international communism (Albania, Bulgaria, Czechoslovakia, Hungary, Poland, Rumania, U.S.S.R., China (mainland Communist), North Korea, North Vietnam, Outer Mongolia, and Cuba).

Commodity groups are taken from the Standard International Trade Classification, Revised, of the United Nations except as noted below.

[2] Less than $500,000.

[3] This is an original SITC group number which was used because separate data are not available according to the SITC, revised, numbers. Groups 552, 599, 716, and 721 have been expanded to 13 group numbers in the SITC, revised. If data were available for 1960, a large proportion of the 13 groups would appear separately on the list.

[4] U.S. import statistics for articles of rubber include materials of rubber.

The CHAIRMAN. Mr. Secretary, I want to congratulate you, sir, on what I think is one of the finest presentations of a proposal that I have heard submitted to the Ways and Means Committee since I have been a member of the committee.

I know you were somewhat hesitant to take as much time as you have in the presentation of the case; but I want you to understand, sir, that we fully recognize that as the leading proponent in the Cabinet for this program it was incumbent upon you to present it in the detail that you have.

You have presented to us a very forceful statement in support of the legislation.

Secretary HODGES. Thank you, Mr. Chairman. I had a lot of good help.

The CHAIRMAN. Mr. KING.

Mr. KING. I must agree with the chairman, Mr. Secretary. It seems to be usual with you to make your position clear.

Mr. Secretary, I have tried through the years to avoid being burdened with regional considerations in connection with trade proposals that have been before this committee on many occasions. I was interested in what you had to say about the west coast's great tuna fisheries.

Mr. CURTIS. Mr. President, much has been offered for the record during hearings on this bill about the fact that the United States exports one-sixth of its agricultural products. The statement that 1 of every 6 acres now farmed is supported by export markets is becoming cliche. We must temper this volume of export with the fact that more than half of current agricultural exports are subsidized in varying degrees. At the same time, a very competent witness came before the committee and submitted information for the record in effect that the United States, during fiscal year 1961, also accounted for about one-sixth of the world's agricultural imports. This is fact which has escaped appropriate notice. In fiscal year 1961, about 55 percent of our agricultural imports were duty free. For the 45 percent of the imports which were dutiable, the ad valorem equivalent for all agricultural imports—free and dutiable—average 6 percent. More than half this volume of agricultural imports, 53 percent to be exact, came from 10 countries none of which are members of the Common Market.

Most of us think of agriculture in terms of the supported basic commodities, livestock, and commodities processed either from basics or livestock. We fail to comprehend the very substantial volume of business carried on in our domestic trade which is not supported under any Government program. This category, principally fruits and vegetables, has also suffered from rising imports in recent years. I would like to offer for the record a summary of average imports for fruits and vegetables in millions of pounds per item, averaging the years 1950 through 1955. The table will show very substantial increases in all these categories from the 5-year average to imports during the years 1959 to 1960. I ask unanimous consent that the table may be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

(K) U.S. imports—Selected items pursuant with Ways and Means Committee, U.S. Congress, July 1, 1960

Trends: Data for the past decade on total U.S. imports of products considered in detail in this report are shown in the following tabulation:

[In millions of pounds]

Product	Average 1950–51 to 1954–55 or 1951–55	1955–56 or 1956	1956–57 or 1957	1957–58 or 1958	1958–59 or 1959	1959–60 or 1960
Cantaloups [1]	18.2	51.9	50.2	44.0	56.5	79.4
Watermelons [1]	11.8	37.7	24.5	43.5	58.0	72.0
Miscellaneous melons [1]	8.9	15.1	11.0	12.7	20.3	35.5
Snap beans	1.4	2.3	6.3	6.5	8.1	6.9
Garlic [1]	19.8	17.3	17.8	21.5	24.2	23.5
Onions [1]	25.6	26.4	27.0	54.6	59.1	31.1
Tomatoes	165.8	82.1	120.9	270.4	242.5	309.1
Cucumbers	22.6	42.1	40.8	45.1	34.7	65.7
Eggplant	2.2	2.0	1.9	3.5	3.4	4.8
Peppers	15.5	5.3	9.5	17.1	17.8	21.4
Squash	.3	[2]	.5	.6	1.6	1.2

[1] Calendar-year basis.
[2] Less than 50,000 pounds.

NOTE.—Imports of all the products shown above were significantly larger in each of the last 3 years than average annual imports in 1951–55. Comparing the data for 1960 (or 1959–60) with the annual average for 1951–55 (or 1950–51 to 1954–55), imports of watermelons increased by 510 percent; snap beans by 393 percent; cantaloups by 336 percent; miscellaneous melons and squash by about 300 percent; and cucumbers by 191 percent. Imports of eggplant and tomatoes approximately doubled; and imports of peppers, onions, and garlic increased by 38, 21, and 19 percent, respectively.

Source: P. 19, Investigation 332-39 Resolution, Ways and Means Committee, U.S. House of Representatives, July 1, 1960.

Mr. CURTIS. Mr. President, I ask unanimous consent to have printed in the RECORD table No. 6, found at page 29 of the Quantity Indexes of U.S. Agricultural Exports and Imports, for January 1960, together with additions which have been made therein in handwriting.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 6.—*Agricultural imports: Quantity indexes of principal commodity groups, United States, by calendar years, 1924–61*

[Calendar years 1952–54=100]

Year	Total [1]	Supplementary [2]									Complementary [2]		
		Total	Animal products					Grains and feeds	Vegetable oils and oilseeds	Sugar, molasses and sirups [5]	Tobacco, unmanufactured	Total	Cocoa, coffee, and tea [3]	Rubber and allied gums [3]
			Total [3]	Dairy products	Hides and skins	Meats and meat products [3]	Wool excluding free in bond [4]							
1944	86	119	----------	19	179	----------	204	260	96	89	79	61	----------	----------
1945	79	98	----------	24	123	----------	248	71	86	76	81	66	----------	----------
1946	94	101	----------	48	136	----------	296	20	98	61	86	88	----------	----------
1947	95	89	93	19	112	18	157	7	132	103	97	99	96	103
1948	102	93	119	46	141	52	153	21	122	82	86	108	105	107
1949	99	88	88	54	111	42	99	56	110	95	86	106	112	96
1950	106	107	127	93	166	67	152	62	139	95	90	105	97	117
1951	105	108	128	89	131	90	161	88	112	93	103	103	104	107
1952	106	107	117	109	106	92	140	119	101	100	100	106	103	117
1953	104	103	100	104	110	103	96	112	99	102	100	104	107	95
1954	90	90	83	87	84	106	64	69	100	98	100	90	90	88
1955	96	92	89	95	92	101	71	42	99	106	103	99	100	94
1956	99	91	80	96	100	92	61	54	99	108	111	103	108	85
1957	98	94	87	94	81	110	43	56	101	105	113	100	105	82
1958	101	109	120	107	91	180	45	47	97	121	124	95	101	70
1959	110	110	122	118	123	183	61	37	105	116	134	110	116	84
1960	103	105	103	116	93	154	47	31	104	123	139	102	112	60
1961	107	107	120	136	86	183	54	34	108	107	144	106	118	57

[1] Based on 251 classifications.
[2] Supplementary agricultural imports consist of all imports similar to agricultural commodities produced commercially in the United States, together with all other agricultural imports interchangeable to any significant extent with such U.S. commodities. Complementary imports include all others, about 97 percent of which consists of rubber, coffee, tea, cocoa beans, raw silk, wool for carpets, bananas, and spices.
[3] Not calculated prior to 1947.
[4] 1942–45 includes wool (ordinarily dutiable) imported free as an act of international courtesy.
[5] Prior to 1930 includes molasses; beginning in 1947 includes molasses and sirups.

Mr. CURTIS. Mr. President, I ask unanimous consent to have printed at this point in the RECORD table No. 7 in the publication entitled "Foreign Agricultural Trade of the United States: Statistical Report for Calendar Year 1961." The table appears on pages 32 and 33.

There being no objection, table No. 7 was ordered to be printed in the RECORD, as follows:

TABLE 7.—*Imports (for consumption): Value of selected agricultural commodities and groups, averages 1935–39 to 1955–59 and annually 1947 to 1961*

[In thousands of dollars]

Year ended Dec. 31	Supplementary					
	Animals, live	Dairy products	Hides and skins	Meats	Wool, unmanufactured, excluding free in bond	Total animals and animal products
Average:						
1935–39	16,602	15,068	49,196	19,855	24,887	160,993
1940–44	23,887	8,759	66,626	19,374	193,780	349,567
1945–49	48,682	17,951	75,526	35,364	197,420	436,760
1950–54	42,664	38,669	83,036	145,979	303,968	695,727
1955–59	75,576	43,826	59,795	229,671	115,076	577,520
Annual:						
1947	21,813	12,687	83,849	12,147	159,582	353,912
1948	86,583	22,725	105,496	78,111	214,286	579,542
1949	69,230	22,471	69,944	61,552	165,360	452,908
1950	82,210	34,356	114,103	96,436	282,396	700,710
Annual—Continued						
1951	62,392	38,798	126,965	165,291	590,492	1,088,571
1952	17,740	45,392	55,891	139,087	299,103	660,622
1953	28,925	38,804	68,153	161,876	202,810	557,873
1954	22,055	35,996	50,062	167,203	145,041	470,859
1955	33,606	40,829	53,125	148,493	151,817	481,367
1956	22,528	42,213	62,905	129,481	128,903	444,874
1957	77,236	41,171	46,750	167,328	109,194	496,740
1958	146,653	45,440	51,767	320,189	84,431	700,277
1959	97,857	49,477	84,427	382,863	101,033	764,344
1960	76,072	49,896	67,606	311,073	84,965	644,183
1961 preliminary	105,439	54,335	61,266	371,697	89,961	736,754

[In thousands of dollars]

Year ended Dec. 31	Supplementary					
	Cotton, excluding linters	Fruits and preparations	Grains and preparations	Feeds and fodders [1]	Nuts and preparations	Sugar, cane
Average:						
1935–39	10,176	13,099	56,121	11,341	15,998	142,556
1940–44	14,125	17,205	99,313	15,623	13,859	154,315
1945–49	35,568	45,088	42,969	21,104	49,420	298,857
1950–54	33,739	62,912	127,164	45,393	53,362	404,200
1955–59	32,271	68,721	69,262	21,524	64,384	465,463
Annual:						
1947	51,911	39,161	6,471	13,056	47,170	410,516
1948	38,030	51,421	28,873	19,740	59,538	313,061
1949	19,130	45,721	75,311	24,334	47,949	372,171
1950	36,810	56,645	78,443	33,534	55,973	381,187
1951	39,671	59,847	131,428	42,436	57,208	387,182
Annual—Continued						
1952	33,337	62,107	165,701	74,895	49,249	416,405
1953	33,218	70,712	169,285	40,598	55,233	425,393
1954	25,657	65,249	90,963	35,503	49,149	410,831
1955	36,855	63,097	60,717	20,149	73,132	415,090
1956	19,563	67,436	80,081	20,067	60,757	436,717
1957	59,064	69,932	83,937	22,372	58,439	459,425
1958	26,036	65,575	65,907	23,679	62,200	520,029
1959	19,839	77,565	55,669	21,351	67,391	496,056
1960	23,187	88,031	54,524	16,195	69,443	507,221
1961 preliminary	31,064	87,737	54,430	15,905	61,813	457,502

[In thousands of dollars]

Year ended Dec. 31	Supplementary					
	Molasses and sugar sirup	Oilseeds	Oils, vegetable, expressed	Tobacco, leaf	Vegetables and preparations	Total vegetable products
Average:						
1935–39	12,389	40,471	77,139	30,653	19,645	469,884
1940–44	30,649	40,062	45,493	41,046	24,600	537,414
1945–49	23,377	94,524	82,655	77,072	52,046	903,434
1950–54	39,288	79,375	97,073	76,558	51,678	1,181,610
1955–59	40,087	55,777	89,513	89,029	59,257	1,172,100
Annual:						
1947	23,385	139,280	117,379	85,703	52,666	1,051,995
1948	41,504	150,782	103,636	75,397	60,236	1,038,593
1949	18,313	95,178	70,014	70,357	52,439	987,191
1950	19,257	105,660	109,498	73,424	46,512	1,104,059
1951	48,650	104,112	107,567	81,506	52,894	1,230,044
Annual—Continued						
1952	51,052	56,181	95,667	75,437	55,304	1,241,652
1953	38,971	68,642	92,680	76,092	56,965	1,245,202
1954	38,509	62,281	79,952	76,330	46,715	1,087,091
1955	39,446	54,981	74,887	78,636	43,042	1,069,073
1956	40,398	48,460	81,376	82,503	51,914	1,103,867
1957	39,964	48,162	96,613	87,689	55,925	1,198,916
1958	43,934	53,440	93,745	95,886	74,206	1,237,589
1959	36,692	70,843	100,944	100,432	71,198	1,251,056
1960	41,269	68,096	93,017	103,284	80,049	1,274,035
1961 preliminary	27,620	55,248	90,216	101,687	78,091	1,201,776

[In thousands of dollars]

Year ended Dec. 31	Complementary					
	Silk, raw	Wool, free in bond	Bananas	Cocoa or cacao beans	Coffee [2]	Rubber, crude
Average:						
1935–39	102,883	25,469	29,206	31,935	139,726	167,029
1940–44	37,374	22,786	22,289	35,003	221,741	194,561
1945–49	28,150	56,490	44,622	114,638	581,065	241,661
1950–54	26,087	104,392	59,631	192,358	1,356,053	495,990
1955–59	26,173	105,348	70,217	160,273	1,288,000	364,052
Annual:						
1947	15,709	49,362	49,586	152,359	598,699	318,232
1948	15,406	93,387	49,959	193,721	697,305	309,209
1949	7,272	56,863	52,682	124,485	793,438	240,312
1950	20,565	145,438	55,643	167,218	1,091,480	458,241
1951	19,485	123,015	54,493	196,850	1,358,341	809,330
Annual—Continued						
1952	33,625	83,108	55,494	178,275	1,375,685	618,821
1953	26,084	92,940	67,225	167,311	1,468,878	331,498
1954	30,675	77,461	65,301	252,134	1,485,883	262,061
1955	33,548	108,538	66,471	184,833	1,356,800	442,372
1956	32,444	113,517	68,016	144,434	1,439,076	398,127
1957	24,575	101,798	69,788	134,705	1,376,289	349,422
1958	15,572	79,598	69,388	172,458	1,170,687	247,771
1959	24,728	123,290	77,424	164,937	1,097,150	382,566
1960	27,227	111,950	78,639	143,188	1,002,626	321,686
1961 preliminary	27,105	107,759	77,467	159,479	964,017	216,553

[1] Excludes barley, corn, oats, and wheat unfit for human consumption.

[2] Beginning 1953, includes imports through the customs district of Puerto Rico.

Mr. CURTIS. Mr. President, I ask unanimous consent to have printed at this point in the RECORD, table No. 2, with additions, which appears on pages 15 and 16 of the publication entitled "Quantity Indexes of U.S. Agricultural Exports and Imports, Revised January 1960."

There being no objection, table No. 2 was ordered to be printed in the RECORD, as follows:

TABLE 2.—*Agricultural exports: Quantity indexes of principal commodity groups, United States, by calendar years, 1924–61*

[Calendar years 1952–54=100]

Year	Total [1]	Animal products					Cotton and linters	Tobacco, unmanufactured	Grains and feeds	Vegetable oils and oil seeds	Fruits and vegetables
		Total	Dairy products [2]	Poultry and poultry products [2]	Animal fats [2]	Meats and meat products [2]					
1924	111	170					182	99	69	8	75
1925	108	135					229	90	51	9	69
1926	112	119					247	93	55	6	79
1927	120	110					254	98	70	10	91
1928	112	98					240	120	55	9	96
1929	104	100					209	116	51	7	104
1930	89	91					184	115	36	6	89
1931	87	72					193	107	32	5	102
1932	92	57					252	78	23	8	88
1933	84	55					236	86	11	6	78
1934	65	46					163	87	11	4	72
1935	61	22					166	80	7	2	89
1936	57	21					152	86	7	3	76
1937	65	25					163	89	19	4	74
1938	74	28					125	103	56	4	107
1939	64	37					129	69	31	15	96
1940	47	30					104	46	20	10	47
1941	42	115					32	60	18	11	66
1942	53	234					29	54	12	11	51
1943	74	301					43	90	16	38	73
1944	67	287					27	63	17	37	86
1945	79	186					68	101	48	15	100
1946	113	247					109	142	73	17	117
1947	116	158	285	216	41	282	74	111	138	22	138
1948	97	92	210	117	31	89	77	94	118	26	106
1949	120	109	187	70	82	80	139	109	129	89	70
1950	106	102	154	221	72	70	154	105	86	77	84
1951	124	107	156	175	94	84	138	115	138	97	82
1952	106	82	64	99	99	90	110	87	127	71	99
1953	93	102	111	95	99	104	77	114	95	82	96
1954	101	116	126	106	102	106	113	99	78	147	105
1955	113	183	318	126	117	128	68	118	110	170	110
1956	153	199	325	152	131	180	123	112	160	215	140
1957	166	174	244	122	113	194	187	110	161	235	139
1958	145	147	230	131	89	112	124	106	158	217	135
1959	154	153	159	246	127	132	99	102	180	300	139
1960	194	157	122	322	140	138	202	109	210	340	143
1961	193	170	158	429	124	133	172	110	236	280	142

[1] Based on 261 classifications (commodity groups and total index include commodities shipped as food for relief or charity by individuals and private agencies starting 1949).

[2] Not calculated prior to 1947.

Mr. CURTIS. Mr. President, I ask unanimous consent to have printed at this point in the RECORD table No. 4, which appears on pages 15 to 18, inclusive, of the publication entitled "Foreign Agricultural Trade of the United States, Statistical Report for Calendar Year 1961."

There being no objection, the table No. 4 was ordered to be printed in the RECORD, as follows:

TABLE 4.—*Domestic exports: Quantity of selected agricultural commodities and groups, averages 1935–39 to 1955–59 and annually 1947 to 1961*

Year ended Dec. 31	Cattle for breeding	Cheese	Evaporated milk, unsweetened	Condensed milk, sweetened	Nonfat dry milk	Dried whole milk	Year ended Dec. 31	Cattle for breeding	Cheese	Evaporated milk, unsweetened	Condensed milk, sweetened	Nonfat dry milk	Dried whole milk
	Thousands	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*		*Thousands*	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*
Average:							Annual—Continued						
1935–39	2	1,281	25,971	4,586	2,735	3,117	1951	6	79,640	203,352	28,870	122,543	59,496
1940–44	5	170,793	429,124	43,207	123,959	21,353	1952	7	3,811	97,095	29,553	58,728	42,319
1945–49	15	150,415	506,771	99,486	201,220	101,576	1953	11	5,912	133,245	17,979	98,097	46,070
1950–54	9	33,490	143,052	21,142	148,912	50,571	1954	17	[1] 30,597	131,418	1,412	[1] 235,743	42,421
1955–59	26	133,308	139,950	31,766	617,722	37,811	1955	25	[1] 148,183	154,800	8,012	[1] 487,578	45,891
Annual:							1956	24	[1] 176,320	170,101	39,851	[1] 622,243	40,483
1947	9	177,461	469,945	108,158	283,072	101,660	1957	37	[1] 172,458	164,388	37,868	[1] 655,646	48,225
1948	7	95,592	316,520	110,118	159,155	100,534	1958	24	[1] 155,035	[1] 127,480	34,981	[1] 659,772	28,691
1949	4	98,021	249,529	78,330	214,498	81,393	1959	19	[1] 14,545	[1] 82,981	38,117	[1] 663,371	25,764
1950	6	47,490	150,148	27,896	229,450	62,550	1960	27	[1] 9,136	[1] 101,526	41,896	[1] 446,749	28,072
							1961 preliminary	21	[1] 8,821	[1] 92,260	46,928	[1] 730,387	17,464

Footnote at end of table.

TABLE 4.—*Domestic exports: Quantity of selected agricultural commodities and groups, averages 1935–39 to 1955–59 and annually 1947 to 1961*—Continued

Year ended Dec. 31	Butter, except dehydrated	Beef and veal	Pork	Variety meats [2]	Poultry meat	Total meats [3]
	1,000 pounds	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*
Average:						
1935–39	1,370	13,764	89,003	17,190	1,822	129,986
1940–44	41,726	27,001	646,997	6,201	1,556	1,091,955
1945–49	7,910	142,628	187,140	2,599	11,910	625,544
1950–54	10,102	23,083	73,913	16,810	13,732	155,505
1955–59	56,107	54,124	69,017	84,103	58,306	287,698
Annual:						
1947	11,036	159,108	59,457	6,227	16,260	476,526
1948	5,768	15,406	28,640	1,687	7,199	173,519
1949	4,174	19,604	59,649	2,908	8,689	137,263
1950	3,215	16,519	58,258	1,831	10,178	111,120
1951	7,127	11,608	82,250	2,923	16,450	147,095
Annual—Continued						
1952	914	14,734	96,755	4,345	8,654	150,728
1953	362	38,730	79,408	29,030	16,689	189,751
1954	[1] 38,894	33,824	52,893	45,923	16,687	178,832
1955	[1] 126,650	40,664	66,323	69,536	27,978	228,938
1956	[1] 102,762	89,291	75,571	99,427	44,541	330,698
1957	[1] 6,078	88,536	78,000	91,179	41,824	326,569
1958	23,616	24,772	54,248	69,417	51,418	219,742
1959	21,427	27,358	70,944	90,956	125,768	332,541
1960	1,534	29,391	69,365	118,196	176,545	412,816
1961 preliminary	738	29,906	68,320	123,464	248,049	483,854

Year ended Dec. 31	Eggs in the shell	Hides and skins	Lard	Inedible tallow and greases	Cotton, excluding linters [4]	Fruits, canned
	1,000 dozen	*1,000 pieces*	*1,000 pounds*	*1,000 pounds*	*1,000 bales*	*1,000 pounds*
Average:						
1935–39	2,215	2,143	165,636	15,042	5,345	307,451
1940–44	9,221	803	568,256	17,598	1,745	82,627
1945–49	28,362	1,934	446,945	130,914	3,476	120,684
1950–54	35,154	3,633	535,261	845,735	4,380	132,710
1955–59	35,087	9,615	533,570	1,356,405	4,448	314,844
Annual:						
1947	38,137	3,035	380,735	77,103	2,747	225,838
1948	24,951	2,076	271,835	95,832	2,825	65,978
1949	18,445	2,685	613,698	447,772	5,152	82,271
1950	19,428	1,735	466,065	545,385	5,714	87,886
Annual—Continued						
1951	27,029	1,306	688,507	550,260	5,126	99,579
1952	41,700	2,430	633,745	758,436	4,069	128,986
1953	39,658	4,380	422,591	1,205,311	2,842	135,208
1954	47,953	8,314	465,397	1,169,281	4,148	211,803
1955	49,725	10,278	562,071	1,304,831	2,487	225,643
1956	44,721	8,878	611,394	1,502,073	4,554	318,622
1957	31,726	11,166	501,374	1,391,147	6,927	315,753
1958	28,882	9,832	388,850	1,119,738	4,598	366,167
1959	20,381	7,921	604,162	1,464,236	3,673	348,037
1960	17,547	11,373	620,010	1,704,523	7,532	387,679
1961 preliminary	14,678	12,610	418,637	1,813,901	6,392	446,282

Year ended Dec. 31	Fruits, fresh					
	Apples	Grapes	Grapefruit	Lemons and limes	Oranges and tangerines	Pears
	1,000 pounds	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*
Average:						
1935–39	470,221	58,377	77,373	47,662	446,006	132,238
1940–44	43,227	52,526	75,529	39,094	410,718	15,637
1945–49	121,593	75,693	154,839	29,084	556,798	52,187
1950–54	111,716	104,261	126,986	47,641	633,616	35,905
1955–59	136,877	157,454	163,107	170,061	644,748	59,825
Annual:						
1947	220,067	92,389	189,550	38,608	691,407	95,083
1948	94,213	66,262	167,373	9,912	535,023	18,765
1949	85,231	93,768	122,634	9,412	395,260	20,907
1950	138,614	87,456	94,448	25,005	412,811	40,645
1951	176,561	102,231	121,355	38,607	574,616	35,375
Annual—Continued						
1952	110,741	120,562	132,784	49,039	644,727	31,651
1953	53,040	92,917	129,819	47,955	809,108	34,438
1954	79,622	118,140	156,524	77,599	726,817	37,414
1955	104,302	136,244	146,701	131,300	670,154	39,707
1956	100,719	152,971	176,894	149,098	897,877	48,736
1957	139,265	153,034	182,314	169,849	718,831	79,867
1958	201,889	166,209	133,063	248,292	354,926	48,874
1959	138,212	178,810	176,561	151,764	581,953	81,939
1960	167,573	194,644	155,442	184,428	455,423	53,460
1961 preliminary	181,431	171,686	223,488	222,218	437,127	69,281

Year ended Dec. 31	Fruits, dried		Fruits juices	Rice (milled basis)	Rye, grain	Wheat and grain equivalent of flour [5]
	Prunes	Raisins and currants				
	1,000 pounds	*1,000 pounds*	*1,000 gallons*	*1,000 pounds*	*1,000 bushels*	*1,000 bushels*
Average:						
1935–39	189,473	129,501	2,642	202,626	1,541	50,182
1940–44	111,091	131,900	6,343	444,871	208	32,055
1945–49	157,591	160,284	16,120	850,328	3,903	373,781
1950–54	90,467	140,910	23,688	1,334,239	2,887	325,278
1955–59	93,467	90,451	33,710	1,552,098	6,983	419,342
Annual:						
1947	125,437	118,387	16,416	963,374	1,764	491,339
1948	296,544	264,493	17,252	868,913	1,110	501,536
1949	124,915	158,423	18,128	1,137,050	8,460	408,727
1950	155,586	150,385	19,826	1,085,228	3,358	241,781
1951	47,925	77,691	21,066	1,081,576	5,516	471,626
Annual—Continued						
1952	101,383	190,290	25,604	1,744,134	4,480	410,922
1953	67,718	157,813	25,783	1,535,447	4	270,810
1954	79,724	128,371	26,163	1,224,809	1,075	231,253
1955	80,334	118,146	28,534	1,138,184	5,327	272,378
1956	111,245	139,650	33,999	[2] 2,047,089	10,656	[1] 471,697
1957	95,657	82,789	37,613	[1] 1,729,861	6,236	[1] 495,408
1958	118,244	51,336	36,289	[1] 1,290,905	7,289	[1] 412,895
1959	61,857	60,334	32,113	[1] 1,554,449	5,406	[1] 444,332
1960	81,835	113,005	33,316	[1] 2,198,018	4,882	[1] 602,108
1961 preliminary	68,744	119,128	34,518	[1] 1,841,037	8,617	[1] 729,729

Footnotes at end of table.

TABLE 4.—*Domestic exports: Quantity of selected agricultural commodities and groups, averages 1935–39 to 1955–59 and annually 1947 to 1961*—Continued

Year ended Dec. 31	Barley, grain	Oats, grain	Corn, grain	Grain sorghums	Feed grains including products (grain equivalent)	Oilcake and meal
	1,000 bushels	*1,000 bushels*	*1,000 bushels*	*1,000 bushels*	*1,000 short tons*	*1,000 short tons*
Average:						
1935–39	9,579	3,311	37,232	154	1,463	332
1940–44	832	309	16,566	10	782	52
1945–49	14,422	15,464	63,161	18,499	3,319	138
1950–54	25,679	1,721	100,871	38,131	4,805	181
1955–59	88,799	29,083	161,181	63,124	9,318	579
Annual:						
1947	24,585	13,077	127,563	25,469	5,765	209
1948	13,986	14,349	23,604	21,791	2,290	90
1949	29,324	20,769	133,908	37,296	6,113	380
1950	15,570	1,548	96,063	45,691	4,616	128
1951	37,979	3,437	100,083	68,516	5,996	293
Annual—Continued						
1952	36,026	1,415	99,988	48,367	5,313	32
1953	17,284	1,214	131,383	10,832	4,663	152
1954	21,538	991	76,836	17,250	3,437	300
1955	71,948	24,171	108,110	62,417	7,148	653
1956	82,367	31,402	[1] 117,707	55,272	[1] 7,672	641
1957	55,903	19,549	[1] 178,914	22,287	[1] 7,839	415
1958	120,425	24,679	[1] 180,619	73,794	[1] 10,930	369
1959	113,352	45,615	[1] 220,554	101,849	[1] 13,001	817
1960	90,655	32,330	[1] 222,767	96,750	[1] 12,175	708
1961 preliminary	62,805	17,540	[1] 293,366	64,569	[1] 12,390	717

Year ended Dec. 31	Soybeans	Flaxseed	Soybean oil	Cottonseed oil	Tobacco, unmanufactured
Average:	*1,000 bushels*	*1,000 bushels*	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*
1935 to 1939	[6] 4,793	([7])	6,467	6,309	420,796
1940 to 1944	985	[8] 14	35,721	20,391	283,318
1945 to 1949	8,430	961	135,665	35,539	513,360
1950 to 1954	30,511	3,772	230,365	195,450	473,675
1955 to 1959	86,437	7,299	652,094	467,632	499,899
Annual:					
1947	2,505	16	107,278	11,878	507,286
1948	6,497	1,650	83,035	32,765	426,609
1949	23,361	3,107	363,981	116,609	498,191
1950	19,110	3,557	299,790	140,214	477,596
1951	24,607	3,737	503,717	61,425	522,089
Annual—Continued					
1952	23,683	1,858	223,028	105,156	396,452
1953	41,606	14	48,769	75,912	518,664
1954	43,547	9,696	76,522	[1] 594,542	453,572
1955	67,843	4,706	134,484	[1] 630,219	540,279
1956	69,372	8,576	679,169	[1] 616,086	510,356
1957	87,961	9,606	[1] 685,128	[1] 412,293	500,953
1958	84,333	4,660	872,511	160,851	482,290
1959	122,675	8,948	889,179	518,710	465,615
1960	148,088	4,149	1,058,116	451,534	496,148
1961 preliminary	133,532	4,527	602,440	357,852	500,841

Year ended Dec. 31	Beans, dry, ripe	Peas, dry, ripe [9]	Potatoes, white	Tomatoes, fresh	Vegetables, canned
	1,000 pounds	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*	*1,000 pounds*
Average:					
1935 to 1939	15,796	10,029	116,323	[6] 19,496	44,128
1940 to 1944	197,477	84,265	136,266	29,115	172,154
1945 to 1949	181,990	245,645	622,429	41,223	169,416
1950 to 1954	260,554	78,058	401,859	63,590	105,613
1955 to 1959	284,927	117,404	319,949	106,631	194,285
Annual:					
1947	243,965	365,859	1,061,616	46,245	194,093
1948	245,501	213,264	746,359	11,069	82,673
1949	163,289	124,499	242,784	51,211	72,806
1950	146,901	54,216	746,885	56,116	71,740
1951	277,567	99,861	277,258	53,505	99,381
Annual—Continued					
1952	387,845	62,460	349,906	67,511	108,120
1953	286,909	52,454	298,965	61,931	119,420
1954	203,550	121,298	336,281	78,885	129,404
1955	138,196	60,750	394,256	97,544	162,714
1956	[1] 307,289	91,084	337,010	132,583	208,190
1957	[1] 310,224	83,196	300,112	95,153	239,076
1958	[1] 216,312	158,027	272,482	119,121	189,263
1959	[1] 452,613	193,963	295,883	88,755	172,183
1960	[1] 316,771	207,261	338,094	73,060	181,787
1961 preliminary	[1] 163,662	177,009	235,947	97,519	146,675

[1] Includes "food exported for relief or charity."
[2] Included in classification "other meats, fresh, frozen, etc.," 1952 through 1957.
[3] Excludes sausage casings and meat extracts.
[4] Prior to 1957 bales of 500 pounds; running bales 1957 to date.
[5] Excludes foreign wheat milled in bond for export.
[6] 3-year average; not separately classified prior to 1937.
[7] Not separately classified prior to 1941.
[8] 4-year average.
[9] Includes cowpeas and chickpeas.

Mr. CURTIS. Mr. President, I ask unanimous consent to have printed at this point in the RECORD the table entitled "Classification of expenditures by functions as reflected in the budget for the fiscal year 1963, U.S. Department of Agriculture," which appears on page 905 of the hearings of the Committee on Appropriations on the agricultural appropriations bill for 1963.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF AGRICULTURE

Classification of expenditures by functions as reflected in the budget for the fiscal year 1963

[In millions]

	1961	Estimated, 1962	Estimated, 1963
International affairs and finance: Economic and financial assistance: Food for peace (Public Law 480, title II)	$919	$281	$300
Agriculture and agricultural resources:			
Farm income stabilization and food-for-peace:			
Price support, supply, and purchase programs:			
Present programs	1,331	2,497	2,516
Proposed legislation			−434
National Wool Act	61	67	70
Food for peace (Public Law 480, titles I and IV)	1,455	1,489	1,389
International Wheat Agreement	76	81	81
Transfer of bartered commodities to supplemental stockpile	201	225	250
Removal of surplus agricultural commodities	203	225	235
Conservation reserve	363	346	323
Sugar Act	72	82	87
Other	39	69	68
Subtotal	3,801	5,081	4,585
Financing rural electrification and rural telephones:			
Present programs	301	330	370
Proposed legislation			−136
Financing farm ownership and operation: Farmers Home Administration	353	158	198
Conservation of agricultural land and water resources:			
Soil Conservation Service (including watershed protection and Great Plains program)	146	164	181
Agricultural conservation program, CCC loans for ACP, and emergency conservation measures	251	256	257
Research and other agricultural services	324	352	380
Total	5,176	6,341	5,836
Natural resources: Forest resources:			
Forest Service:			
Payments to Klamath Indians	69		
Other	246	279	281
Total	315	279	281
Health, Labor, and Welfare: School lunch and special milk programs:			
Present programs	241	274	271
Proposed legislation			20
Total	241	274	291
Grand total	5,929	7,177	6,709

Mr. CURTIS. Mr. President, the purport of the tables I have placed in the RECORD is this: We have a certain volume of exports, many of which go to Europe. My amendment directs that those exports, using 1957 as the base year, be continued or expanded; that that be one of the goals; in fact, a direction that in any case we are to maintain those exports.

The second part of my amendment directs that our negotiators carry out a policy which would limit our agricultural imports to not to exceed the 1957 levels. The tables I have submitted provide the figures for that purpose.

My reason for the amendment is that I believe Congress should declare the policy that we do not want to negotiate away the export trade which we have at present, and also that in connection with the program on which we are spending billions of dollars to maintain our agricultural economy each year we should not increase our imports. This is not an unreasonable contention. We say to our own farmers, "You may not increase your production." In fact, they are asked to reduce their production, and they are faced with the threat of mandatory controls. Certainly now is no time to increase agricultural imports.

I am aware that it will be argued that this proposal would take the matter out of the hands of the negotiators. My contention is that if someone believes in this reasonable and very modest protection for agriculture, the program could be administered without difficulty if the amendment were adopted.

I now yield to the distinguished Senator from South Carolina.

Mr. THURMOND. Mr. President, the amendment which the able Senator from Nebraska [Mr. CURTIS] has offered would provide legislative direction to our negotiators to hold or expand the market which we presently have on agricultural commodities. This market has been substantially the same since 1957. I commend the distinguished Senator from Nebraska for offering the amendment.

There is a recognized need for such an amendment, since it is fairly obvious that certain European countries may insist upon a preference for the agricultural products of former colonies with which they are still closely alined.

I believe we owe it to the beleaguered farmers of our country to take every possible step to prevent any further injuries to them. I commend the Senator from Nebraska for offering the amendment, and am glad to lend it my wholehearted support.

Mr. CURTIS. Mr. President, I thank the distinguished Senator from South Carolina.

I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. CURTIS. Mr. President, I reserve the remainder of my time.

Mr. KERR. Mr. President, having read the amendment of the distinguished Senator from Nebraska, I must say that I am thoroughly in accord with the purposes which the Senator has in mind. He wants to maintain or expand the volume of U.S. agricultural commodities and processed commodity exports, to decrease the restrictions on the export of such commodities, and to limit the importation into the United States of competitive agricultural commodities and processed commodity imports.

I wondered why he selected the year 1957 as his guideline.

Mr. CURTIS. Is that a question?

Mr. KERR. No; that is a statement.

Mr. CURTIS. I shall be happy to tell the Senator why.

Mr. KERR. The Senator had 15 minutes in which to tell us something, but he did not tell us anything.

Mr. CURTIS. I had no hope of telling the Senator from Oklahoma anything.

Mr. KERR. That was a well-founded hope.

I used to hear it said: "Beware of Greeks bearing gifts." I am not intimating that my great friend from Nebraska is other than perfectly sincere in his desire to be generous and appropriate in connection with his amendment. But I wonder what the relationship between 1957 and 1962 is.

The purpose of the bill is to expand exports, not only of agricultural commodities, but of all commodities. The purpose of the bill is to expand trade and commerce in American products and American commodities throughout the world.

So one may wonder why the Senator from Nebraska did not select the year 1961 or 1962. The fact is that 1957 was the year of the Suez crisis. Naturally, that brought about a situation in which there was a limitation of imports into this country and an expansion of exports.

Also, 1957 was the year of the great drought in Europe, and that resulted in a tremendous increase in the demand for American wheat. I think the record will show that in 1957 the exports of wheat probably exceeded what they will be in 1962.

Naturally one who was most dedicated to the defeat or weakening of the bill, would not only seek to insert within it a guideline on the basis of normal growth and expansion, or on the basis of achieving objectives in the orderly process of

expansion of trade and commerce; but he would fix as a minimum of what could be exported what was exported in 1957, the year of the Suez tragedy and of the great drought in Europe and of the great expansion of our exports of agricultural commodities, and limit imports to the amounts which came into our country in 1957.

Mr. President, I have no fault to find with anyone who seeks to expand American trade and commerce. That is the purpose of the proposed legislation—namely, to arm the President of the United States with every appropriate weapon and every appropriate facility and means of expanding our trade and commerce.

Would not it be a mockery if in passing proposed legislation to do that, we innocently slipped into the bill a little amendment which, instead of helping the President, would cripple him; instead of arming him, would disarm him; instead of letting him go forward on the basis of orderly expansion of our trade and commerce in relation to our production and the production of the rest of the world, would set up an artificial guideline—which would be the result of using the very exceptional year 1957.

Mr. President, I urge that the amendment be rejected.

Mr. CURTIS. Mr. President, the year 1957 was selected for this amendment because it is a good representative year from the standpoint of agricultural exports and imports.

In general our agricultural exports since 1957 have remained constant.

Our livestock and meat imports have unreasonably increased since 1957 and should be cut back to that year.

Mr. MANSFIELD. Mr. President, I yield back the remainder of the time under my control.

Mr. CURTIS. Mr. President, I yield back the remainder of the time under my control.

The PRESIDING OFFICER (Mr. BURDICK in the chair). All remaining time has been yielded back.

The question is on agreeing to the amendment lettered "P" of the Senator from Nebraska [Mr. CURTIS]. On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Nevada [Mr. CANNON], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Pennsylvania [Mr. CLARK], the Senator from Mississippi [Mr. EASTLAND], the Senator from California [Mr. ENGLE], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Florida [Mr. HOLLAND], and the Senator from Oregon [Mrs. NEUBERGER] are absent on official business.

I further announce that the Senator from Alaska [Mr. GRUENING] is necessarily absent.

I further announce that, if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Florida [Mr. HOLLAND], and the Senator from California [Mr. ENGLE] would each vote "nay."

On this vote, the Senator from Pennsylvania [Mr. CLARK] is paired with the Senator from Indiana [Mr. CAPEHART]. If present and voting, the Senator from Pennsylvania would vote "nay," and the Senator from Indiana would vote "yea."

On this vote, the Senator from Alaska [Mr. GRUENING] is paired with the Senator from New Hampshire [Mr. MURPHY]. If present and voting, the Senator from Alaska would vote "nay," and the Senator from New Hampshire would vote "yea."

On this vote, the Senator from Oregon [Mrs. NEUBERGER] is paired with the Senator from Texas [Mr. TOWER]. If present and voting, the Senator from Oregon would vote "nay," and the Senator from Texas would vote "yea."

Mr. KUCHEL. I announce that the Senator from South Dakota [Mr. BOTTUM], the Senator from Indiana [Mr. CAPEHART], the Senator from Nebraska [Mr. HRUSKA], the Senators from New York [Mr. JAVITS and Mr. KEATING], the Senator from Kentucky [Mr. MORTON], and the Senator from New Hampshire [Mr. MURPHY] are necessarily absent.

The Senator from Texas [Mr. TOWER] is necessarily absent, attending the Republican State convention as required by Texas law.

On this vote, the Senator from South Dakota [Mr. BOTTUM] is paired with the Senator from New York [Mr. JAVITS]. If present and voting, the Senator from South Dakota would vote "yea," and the Senator from New York would vote "nay."

On this vote, the Senator from Indiana [Mr. CAPEHART] is paired with the Senator from Pennsylvania [Mr. CLARK]. If present and voting, the Senator from Indiana would vote "yea," and the Senator from Pennsylvania would vote "nay."

On this vote, the Senator from Nebraska [Mr. HRUSKA] is paired with the Senator from New York [Mr. KEATING]. If present and voting, the Senator from Nebraska would vote "yea," and the Senator from New York would vote "nay."

On this vote, the Senator from New Hampshire [Mr. MURPHY] is paired with the Senator from Alaska [Mr. GRUENING]. If present and voting, the Senator from New Hampshire would vote "yea," and the Senator from Alaska would vote "nay."

On this vote, the Senator from Texas [Mr. TOWER] is paired with the Senator from Oregon [Mrs. NEUBERGER]. If present and voting, the Senator from Texas would vote "yea," and the Senator from Oregon would vote "nay."

The result was announced—yeas 20, nays 63, as follows:

[No. 265 Leg.]

YEAS—20

Aiken	Curtis	Prouty
Allott	Dirksen	Scott
Beall	Fong	Thurmond
Bennett	Goldwater	Wiley
Bush	Jordan, Idaho	Williams, Del.
Butler	Lausche	Young, N. Dak.
Cotton	Mundt	

NAYS—63

Anderson	Hickey	Morse
Bartlett	Hill	Moss
Bible	Humphrey	Muskie
Boggs	Jackson	Pastore
Burdick	Johnston	Pearson
Byrd, Va	Jordan, N.C.	Pell
Byrd, W. Va.	Kefauver	Proxmire
Carlson	Kerr	Randolph
Carroll	Kuchel	Robertson
Case	Long, Mo.	Russell
Church	Long, Hawaii	Saltonstall
Cooper	Long, La.	Smathers
Dodd	Magnuson	Smith, Mass.
Douglas	Mansfield	Smith, Maine
Ellender	McCarthy	Sparkman
Ervin	McClellan	Stennis
Gore	McGee	Symington
Hart	McNamara	Talmadge
Hartke	Metcalf	Williams, N.J.
Hayden	Miller	Yarborough
Hickenlooper	Monroney	Young, Ohio

NOT VOTING—17

Bottum	Engle	Keating
Cannon	Fulbright	Morton
Capehart	Gruening	Murphy
Chavez	Holland	Neuberger
Clark	Hruska	Tower
Eastland	Javits	

So Mr. CURTIS' amendment was rejected.

Mr. JACKSON. Mr. President, I should like to ask the distinguished Senator from Virginia [Mr. BYRD], who is in charge of the bill, some questions in connection with the pending bill, in order to make certain the legislative history of the pending measure.

I refer to section 221(c) of the bill. It is my understanding that the Tariff Commission, in preparing its advice to the President under the provisions of this section, would not be precluded from considering the probably domestic economic effect of modifications of duties or other import restrictions on manufactured articles, the development, manufacture, or sale of which is carried out by a foreign organization that receives direct, substantial, governmental financial assistance. I appreciate, of course, that the Tariff Commission would be required to do so only if information concerning such financial assistance were made readily available.

Mr. BYRD of Virginia. In answer to the Senator from Washington, his understanding is correct. I might add that, in my opinion, the Tariff Commission would consider information regarding the effect of such substantal subsidies not only to privately owned foreign organizations but also to those that have been nationalized.

Mr. JACKSON. I believe the Senator will agree that such barriers to trade expansion, and thus to a more economic allocation of resources in the free world, as direct governmental subsidies to the manufacture of articles for export should be one of the factors considered by the Tariff Commission in their deliberations on the import restrictions on such articles.

Mr. BYRD of Virginia. I believe the Senator is absolutely correct. It seems to me that would be one of the important factors to be considered.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. JACKSON. I yield.

Mr. SALTONSTALL. Am I to understand from the colloquy that the fact

that a foreign nation subsidizes a commodity should be considered by the Tariff Commission?

Mr. JACKSON. The Tariff Commission should consider a substantial subsidy or a nationalized industry that would be bringing goods directly into the United States. We want to make certain that that factor is taken into consideration in the pending bill.

Mr. SALTONSTALL. I think that is very important.

Mr. CURTIS. Mr. President, I call up my amendment identified at 9–17–62—Q.

The PRESIDING OFFICER. The amendment offered by the Senator from Nebraska will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 14, to strike out lines 4 through 9, and insert in lieu thereof the following:

(c) The President shall reserve from negotiations under this title for the reduction of any duty or other import restriction or the elimination of any duty, any article processed in substantial part from a raw or processed agricultural product or products or mineral or minerals (including nonmetallic minerals) if the United States price for such agricultural product or products or mineral or minerals (including nonmetallic minerals) is 10 per centum or more higher than the world market price of such agricultural or mineral product or products unless the Tariff Commission shall determine a lower rate of duty for such product to which the duty may be reduced without causing or threatening serious injury to the domestic industry producing like or directly competitive products."

(d) In addition to the articles described by subsections (a), (b), and (c), the President shall also so reserve any other article which he determines to be appropriate, taking into consideration the advice of the Tariff Commission under section 221(b), any advice furnished to him under section 222, and the summary furnished to him under section 223.

Mr. CURTIS. Mr. President, it is not my intention to use all of my time. I think I can complete my statement in about 5 minutes. I shall not ask for a yea and nay vote. I would appreciate the attention of the Senate. Many Senators are interested in this proposal. I shall do my best to briefly explain it.

Many manufacturing industries have a difficult import competition problem because U.S. policy has been to provide greater protection on raw materials and semiprocessed materials than is provided on products manufactured from these raw materials or partially processed products. My analysis indicates that this occurs primarily in the case of manufactured products produced from agricultural commodities, minerals, and nonmetallic minerals. In many cases the U.S. price, because of our own governmental action, is much higher on these basic materials than is the competitive world price for which the same raw or semiprocessed products may be purchased by foreign competitors who then manufacture them into finished products which are shipped to the United States.

Here are some examples: Practically all items used in confectionery manufacture have much higher prices in the United States than are the foreign prices for which foreign confectionery manufacturers may purchase the same agricultural commodities and then ship the confectionery to the United States to create unfair competition for domestic candy manufacturers.

When American candy manufacturers produce their product, they pay a much higher price for sugar than the world price. They buy their milk and butter, and sometimes nuts, at supported prices. Their foreign competitors pay much less for the ingredients for the same product that they send into this country.

There are import quotas on lead and zinc when imported both in ore or slab form, but we do not have quotas on the manufactured products. The quotas on the base metal make the U.S. price higher than the world price, yet foreign manufacturers may buy the metal at a much lower world market price and ship the manufactured products to the United States to create unfair competition. Earlier this year the President increased the import duty on glass. The import duty on mirrors was not correspondingly increased. As a result, it is possible to buy imported mirrors for little more than the domestic industry pays for glass.

Now, what would this amendment do? It would not prohibit reduction of the import duty on products manufactured in substantial part from materials of which the U.S. price is 10 percent or more higher than the world market price. It merely would provide a safeguard that, if any such duty is to be reduced, before doing so the Tariff Commission should determine that such reduction would not cause serious injury to the competitive domestic industry.

Certainly, if because of our own governmental action the U.S. price for many agricultural and mineral raw and semiprocessed materials is appreciably higher than the world market price, we should not wish to penalize our own manufacturers in favor of their foreign competitors.

Mr. President, I hope the amendment will be agreed to.

Mr. SALTONSTALL. Mr. President, will the Senator yield for a question?

Mr. CURTIS. I yield.

Mr. SALTONSTALL. There are substantial candy manufacturers in Massachusetts. Massachusetts has one of the biggest candy industries. As I understand the Senator's amendment, if sugar, butter, or other things which go into the making of candy—and particularly candy sold in great volume and cheaply—should have prices 10 percent higher for the raw products in the United States than the prices abroad, when imports come to the United States in great numbers, the Tariff Commission would make certain findings.

Mr. CURTIS. Yes. Before such a tariff could be lowered the Tariff Commission would have to make a finding that it would not do serious injury to domestic industry. Candy is only one example.

We support the prices of dairy products. The price of sugar in the United States is much above the price foreign candy manufacturers pay for their sugar, yet it is one of the best bargains the housewife has in the marketplace.

Mr. SCOTT. Mr. President, will the Senator yield?

Mr. CURTIS. I am glad to yield.

Mr. SCOTT. What the Senator said also would apply to chocolate, would it not?

Mr. CURTIS. I think that is correct. It would not prohibit the imports. It would not impose any quotas or other restrictions. It would not prevent a reduction in duty. It would merely provide, in connection with the agricultural and mineral products, that before the duty could be reduced on the manufactured article the Tariff Commission would have to find that serious injury would not be done to our domestic industry.

Earlier in the debate I pointed out that the tariff on candy in the Common Market countries is 30 percent. The tariff on European candy coming to the United States is 14 percent.

I believe this is a reasonable request. I believe it would in no sense hamper the program. I urge the adoption of the amendment.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. CURTIS. I yield.

Mr. CARLSON. Those of us who heard the testimony in respect to the candy industry realize that there is a very difficult problem in trying to compete, in view of the products brought into this country and the competition of products with respect to which we support higher prices. I think the Senator has made a very good case for his amendment.

Mr. CURTIS. I thank the Senator.

Mr. President, again I say that I make no apology for believing in protecting the American industry. I do not think that is inconsistent with the spirit of reciprocal trade. I believe we should trade in those things which will be mutually advantageous to the trading partners. I think we should respect foreign countries in all reasonable attempts to do justice to their people, and they should do the same for us.

It happens that in the capital city of Lincoln, Nebr., there are more people engaged in the manufacture of candy than are engaged in any other manufacturing enterprise.

Candy, however, is only one example. I cited the case of mirrors, and related the fact that the price fixed on glass makes it possible for importers to send mirrors into this country at a cost little more than our own manufacturers must pay for the glass.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Nebraska [Mr. CURTIS].

Mr. MANSFIELD. Mr. President, I yield 2 minutes to the Senator from Oklahoma.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized for 2 minutes.

Mr. KERR. Mr. President, the amendment should be rejected. Agricultural products are protected not only

under the bill, but also under section 22 of the Agricultural Adjustment Act and by a system of price supports which maintains a much higher price in the domestic market than the world price. Certainly no member of the committee would do anything to imperil American agriculture. Every worthy amendment which was offered for the further protection of American agriculture was adopted. Those amendments are in the bill as basic law protection.

The pending amendment should be rejected.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Nebraska.

Mr. MANSFIELD. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. Does the Senator from Nebraska yield back the remainder of his time?

Mr. CURTIS. Mr. President, I yield back the remainder of my time, and I ask for a division.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Nebraska. A division has been requested.

On a division, the amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. BUSH. Mr. President, I call up my amendments designated "9–17–62—K" and ask that they be read.

The PRESIDING OFFICER. The amendments will be stated.

The LEGISLATIVE CLERK. On page 21, line 15, it is proposed to strike out "agricultural".

On page 21, lines 18 and 19, strike out "agricultural".

On page 22, line 18, strike out "may" and insert in lieu thereof "shall".

On page 22, strike out lines 19 through 21.

Mr. BUSH. Mr. President, I shall not ask for a yea-and-nay vote on this amendment; I know from previous experience today the result I may expect.

Mr. HUMPHREY. Mr. President, can the Senator from Connecticut give us some indication of how long he intends to speak on the amendments?

Mr. BUSH. I will be finished in a reasonable time.

Mr. HUMPHREY. That is perfectly satisfactory.

Mr. BUSH. Mr. President, it has become common knowledge that discriminations and nontariff restrictions against U.S. exports are widely practiced by foreign countries which are beneficiaries of our trade agreement concessions. The printed hearings report of the Ways and Means Committee contains a tabulation and listing of such restrictions imposed by Common Market countries. It was prepared by the executive department, and fills 117 pages of the hearings report. An additional 66 pages of the hearings report is devoted to a country-by-country description of discriminations and restrictions against U.S. exports.

The executive department does not appear to be as concerned about nullification of our trade concessions and discriminations against our exports as is the Congress. The administration bill, H.R. 9900, contained no provisions designed to arm the President against such practices. The Ways and Means Committee adopted an amendment, section 252 of the bill, which is intended to enable the President to act in two ways in such a situation: First, he is directed not to grant new concessions to an offending country; and, second, he is directed to withdraw past concessions from such countries.

The Finance Committee was properly dubious about the effectiveness of the House amendment, section 252. The use of the term "unjustifiable" in the several places made the provision so purely discretionary that there could be no assurance of executive action to correct the problems the State Department has tolerated for so long a time.

The Finance Committee amendments to section 252 are definitely an improvement. The word "unjustifiable" was deleted in two places; the word "unlimited" was struck from the reference to variable import fees; and two new subsections which were added give the President power to act against discriminations and restrictions which burden our commerce. Unfortunately, however, these new subsections are themselves too narrowly drawn. Paragraph 3 of subsection (a) of section 252 gives the President the power to impose any duties or restrictions he deems necessary to provide access for our agricultural products to other countries on an equitable basis. This is a good approach. The concept of access on an equitable basis is the spirit of what I attempted, along with other Senators, by means of amendments which we offered to the bill when it was pending in committee. But the restriction of this provision to agricultural products is not justified. Our objective should be to provide equitable participation in foreign markets for our export products of every nature—not simply agricultural products. The amendment which I have called up would simply strike the word "agricultural" from this provision, and thus would broaden it to cover all our exports.

The second new subsection adopted by the committee to section 252 is also salutary, Mr. President. I compliment the Senator from Illinois [Mr. DOUGLAS] for sponsoring the new subsection (c) to section 252 adopted by the committee. It particularly appears to combine the essence of what other Senators and I offered for the committee's consideration in our amendments 11(a) and (c), submitted on August 2. This committee amendment authorizes, but does not require, the President to suspend past concessions, and to refrain from granting new concessions to countries whose import restrictions burden our commerce. The provision is worded so that the failure of another country to extend the benefit of its concessions on a most-favored-nation basis to Japan and other low-wage countries would permit the President to act against that country, since its failure would force Japan's exports unnaturally into the United States. This is the essence of Bush amendment 11(c).

The Douglas amendment is so qualified, however, that it makes the remedy rest purely in the President's discretion. Our entire trade agreements history suggests that discretionary remedies will seldom, if ever, be invoked by the State Department against other countries. The amendment I have called up would, therefore, strike out the few words which make the provision discretionary, in order to convey the spirit of congressional attitudes that we must begin rooting out these oppressive discriminations systematically if we are ever to open up European markets for products of Asia.

Two benefits will flow if the pending amendment is adopted. Japan, India, and other Asiatic countries will be afforded expanding markets in Europe. Unreasonable pressure from the products of Asiatic countries will be lifted from the United States market, as Europe begins to absorb her fair share of such articles.

Mr. President, I urge adoption of this amendment as a perfecting amendment to the committee amendments. Together they will serve to insure that our exports are, in fact, given access to European and Asiatic markets on terms as fair and liberal as those we ourselves provide for the products of those areas of the world. They will assist in our long-held objective of opening up all of the markets of the free world for the products of Japan, India, and other countries of Asia.

Mr. President, one purpose of the amendment is to make the most-favored-nation policy, which we have had for many years as a part of our general foreign economic policy and trade agreements policy, apply to other entities with which we enter into trade agreements. For example, if we enter into a trade agreement under this bill with the Common Market nations, whatever concessions are made by us to the Common Market nations would also be made available, under our most-favored-nation policy, to another country—for example, Japan—and to all other countries with whom we have trade relations. The amendment provides that the Common Market countries must also extend to Japan and to the Latin American countries the same most-favored-nation treatment that we extend. In other words, the purpose of the amendment is to get away from the unilateral most-favored-nation policy, and to make it a bilateral or multilateral affair, so that when we make an agreement which carries the most-favored-nation policy on our part, it will require that the other party to the agreement—for example, the Common Market group of nations—extend the same concessions to other countries.

Mr. President, I compliment the distinguished senior Senator from Illinois [Mr. DOUGLAS] on the amendment which he submitted in the committee, and which was included in the bill. I simply say the amendment does not go far enough. His amendment gives the Pres-

ident permission to do these things. But my amendment states that the President shall do these things in making trade agreements.

Mr. President, this concludes my remarks on the amendment; and I ask for a vote on it, unless some other Senator wishes to speak on it.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Connecticut (putting the question).

The noes appear to have it; and the noes have it, and the amendment is rejected.

The bill is open to further amendment.

If there is no further amendment, the question is on the engrossment of the amendments and the third reading of the bill.

The CHIEF CLERK. A bill (H.R. 11970) to promote the general welfare——

Mr. SMATHERS. Mr. President, I think the Senator from Washington [Mr. MAGNUSON] has an amendment.

Mr. MAGNUSON. Mr. President, I have an amendment which is being prepared by the Senator from Alaska [Mr. BARTLETT], who was here a minute ago.

Mr. HUMPHREY. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. DIRKSEN. Mr. President, I offer an amendment which I send to the desk and ask to have stated.

The ACTING PRESIDENT pro tempore. The amendment of the Senator from Illinois will be stated.

The CHIEF CLERK. On page 2, in line 23, after the words "before July 1," it is proposed to strike out "1967" and insert "1965."

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Illinois.

Mr. DIRKSEN. Mr. President, the amendment I offer is probably the simplest, shortest amendment which will be offered to this bill. The amendment would have been offered by the very distinguished Senator from Georgia [Mr. RUSSELL]. It proposes only to make this a 3-year program, instead of a 5-year program.

Mr. President, George Bernard Shaw once observed that there is only one universal passion, and that is fear. He wrote an interesting monograph on that subject, to show that from babyhood until the day when the human being looks into the Great Beyond, he is constantly beset with fear.

There has been a constant shadow of fear over this bill, both in committee and out. There has been the fear on the part of the proponents that if the measure fails, some severe consequence may happen to the American economy.

There is the converse fear—on the other hand—on the part of the opponents of this proposal that if it comes into being, it will have a very deteriorating effect upon the American economy. Both of them cannot be right, Mr. President. In considering whether the bill is going to be good or bad for our country, we simply have to conclude that all of the argument has been highly speculative.

If the opponents of the bill are correct, Mr. President, then of course the heavy hand of foreign competition can lay itself upon the American economy and can cause untold damage. But who am I to say that that will happen?

On the other hand, if there do come into being all the benefits that have been prophesied by the proponents of this measure, they should have no concern about having it extended after a limited period.

Mr. President, if a 5-year program is begun, it will be difficult indeed to be able at any time during the 5-year period to open up the act for purposes of amendment, if the opponents of the measure are correct. On the other hand, if the proponents are correct, they will never have any real difficulty in getting it extended. That was the history of the Reciprocal Trade Act, and that would be the history of this proposal.

I suggest, therefore, instead of making this a 5-year program, that it be made a 3-year program, and that each side meet the other halfway.

I would shudder, indeed, if the proponents were wrong, or if the opponents were right, for the very simple reason that there could be damage. There is fear of damage, and that fear has beset the committee from the moment it started hearings upon the present bill.

So I suggest to Senators that 3 years would be long enough.

I voted on the original Reciprocal Trade Agreements Act in the House of Representatives in 1934. It provided for a 3-year period, and no more. It has been extended from time to time since 1934. There were occasions when it was extended for 3 years. There were other occasions when it was extended for 2 years. When a case was made, no difficulty whatsoever was encountered in securing an extension. But I rather shudder at the thought that some of our industries, and particularly smaller industries, might be harmed or damaged in any way by the provisions of the bill.

Is there a Member of the U.S. Senate who can tonight prophesy and predict with any degree of accuracy what the ultimate impact of this measure will be? I do not know. Nobody knows. I have examined a ton of literature on this subject, and never have I seen so much literature on any proposal as has found its way to the offices of Members of this body. In all of it I detect a constant apprehensive fear that something may happen which will not be good for industry. Then, the question is, How shall it be modified?

It is never easy to modify a bill, because the burden of proof in every case is upon the individual who introduces the proposal to change the law. To obtain a hearing is not easy. To obtain committee consideration is not easy. To obtain the approval of both branches of Congress is not easy.

I would far rather have an automatic cutoff date after 3 years of experience, in order to determine whether or not the law should be modified.

That is the amendment, in all its simplicity. It requires no more consideration or argument on my part. So I submit it. I had intended to offer it in the first instance. The distinguished Senator from Georgia intended to do so, but he was slightly indisposed. He had a very bad headache, and he asked me specifically if I would present the amendment in his name. I am honored to do so. I rest the case.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. GOLDWATER. I have sat here most of the day listening to debate on what is supposed to be a trade bill, and I have heard many trades made, but I have not heard much discussion about foreign trade, or the Common Market, or the many good purposes that the President originally suggested this bill has.

So far, we have not discussed foreign trade and its effect upon the United States. In fact, I have heard more good arguments presented this afternoon for protection than I have heard for free trade.

I happen to be a person who believes in freer trade. I think the very fact that free trade has helped to create the great economic system we have as applied to our country should be able to be applied to the whole world, but I have sat here tonight and heard arguments for protection for lumber, protection for this, that, and the other product. It seems to me that what we are talking about here tonight is a sort of "gimmick" proposal from the President that we do not know much about.

If the President were willing to state clearly what he proposes by this measure, we might be able to vote for it. I would like to be able to vote for the bill. As I say, I believe in freer trade. But I do not think we are talking about freer trade. I have a strong suspicion that many industries have been promised certain concessions if they go along with this measure.

I see in this measure—and I speak as freely and frankly as I can—a new pattern for labor to work for Government intervention in wages, hours, profits, and prices. I see no argument, nor have I heard any convincing argument, that the pending bill would create more trade for the United States, a better balance of payments condition, or better working conditions for the American working man.

In my opinion, we have not faced certain fundamental facts. The Congress can pass any kind of trade legislation it cares to enact, but we are not going to be able to compete with the European and Japanese markets as long as we have restrictive tax legislation upon our books, as long as the American economy is saddled with nearly $100 billion worth of obsolete machinery that new capital will not replace, because new capital does not have confidence in this admin-

istration's attitude toward the free enterprise system, and—I am sorry to say this—does not seem to have confidence in the Congress' attitude toward the free enterprise system.

I think before we can be associated with the markets of Europe, we are going to have to—and I am in full accord with this—put our own fiscal house in order. I have yet to hear a spokesman for the administration say we are going to balance our budget some time. Spokesmen for foreign markets will tell us they want no part of us until we exhibit some fiscal responsibility. I have not heard anything from the administration—unless one wants to mention a piddling billion-and-a-half-dollar provision for investment credit—to the effect that we are going to increase capital investment.

During the past quarter, capital investment in this country was the same as it was in 1957. This is a disturbing note. Congress can pass all the trade bills it wishes, it can talk about the Common Market and our association with it, but it is not going to affect the economy of this country one iota unless we put our own fiscal house in order, which includes tax collection, particularly in the field of depreciation, in order to encourage manufacturers and investors to buy new equipment, build new factories, and create new jobs.

The proposal started out as a very noble idea—namely, that we should cooperate with the Common Market. I believe, frankly, that if we had our fiscal house in order, we could effectively associate with the Common Market in producing 83 percent of the world's goods, and in that way, in my opinion, create the greatest weapon that has ever been created against communism.

We in Congress are successfully negating free institutions by going along with deficit spending, and, instead of encouraging investment, discouraging investment.

So what I long ago hoped would be a bill I could vote for because I believe—and probably more wholeheartedly than most Members of this body—in freer trade, I shall have to vote against tonight. The bill would place restrictions against American business that would, in 1 year after its passage, cause Senators who voted for its passage to be sorry they did, because they will learn that it will not create a growing tendency in the American economy. They will be sorry they voted for this measure tonight as a trade bill, because it is not a trade bill as far as foreign markets are concerned, but a trade bill as far as internal groups who would oppose the President's wish are concerned.

I hoped I could vote for the bill. I shall be forced to vote against it. I think it is like a $3 bill—it is a phony.

Mr. DIRKSEN. Mr. President, I have only one thing to offer. I propose to vote for the bill. I certainly am not going to hamstring the administration when it so constantly and fervently believes that this is the way to get America moving again. As a citizen of this common country I want to do what I can in that direction, because it is in the interest of our national welfare.

I think I could vote tonight for the bill with a lighter heart and an easier conscience if it provided for a 3-year program instead of a 5-year program, because then the possibilities for modification would not be so remote in the future, but could be undertaken before heavy damage might be inflicted upon our economy.

At that point, Mr. President, I rest the case. The amendment is very simple. Instead of providing that the program go to 1967, we would make the cutoff date 1965.

Let us see what eventuates. Let us appraise it and assess it as best we can. If the program merits extension, that will be an easy thing to do. If, on the other hand, events and circumstances and competition from abroad dictate that it ought to be modified, the opportunity to do so will automatically be furnished.

I submit the amendment in the hope that it will commend itself to the Senate.

Mr. MANSFIELD. Mr. President, would the distinguished minority leader be amenable to a 5-minute limitation on this amendment?

Mr. DIRKSEN. I have finished.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that in 5 minutes the vote be taken on the pending amendment.

The ACTING PRESIDENT pro tempore. Is there objection to the request by the Senator from Montana? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. Mr. President, I have listened, as I always do, with a great deal of interest to what the distinguished minority leader had to say.

He has mentioned the word "prophecy." No one can foretell, in this day and age in which we live, what the future holds for us.

He has mentioned the word "fear," as being applicable to both the proponents and the opponents of this measure.

I prefer to use the word "courage," because in this day and age I think we must take chances.

I prefer to use the word "hope." We must look forward with some degree of confidence, and we must place some degree of confidence in the President of the United States.

The minority leader will recall that the last time the Reciprocal Trade Act was extended President Eisenhower asked for a 5-year extension. I believe on that occasion the minority leader and I both voted for the proposed 5-year extension, although the Congress in its wisdom voted to reduce the term from 5 years to 4.

I have as much confidence in the present President of the United States as I had in Mr. Eisenhower at the time he was President, when the Reciprocal Trade Act was extended for 3 years on the last previous occasion.

If we vote for a 3-year extension, we will lose the first year, anyway, because it will be necessary to accommodate ourselves to the new setup. More than that, we would have to speed up the process of accommodating the Common Market.

With the 5-year period we could become used to the idea, could lay the groundwork during the first year and then, over the following 4 years, do the work gradually in a manner which I think would be best for the welfare of American economy, our industries, and our workers.

Mr. President, I yield the remainder of the time to the Senator from Oklahoma [Mr. KERR].

Mr. KERR. Mr. President, the opponents of the bill spent most of the day trying to cut off its various limbs—fingers, toes, and arms. They failed to do so. Now they seek to cut its throat, by limiting it to 3 years.

If Senators will examine the bill, they will find that there are more provisions in it for negotiation than in any bill previously passed by the Congress. There are pages setting forth requirements concerning negotiations, advice from departments, and public hearings. It could not take less than a year to place the administration in a posture of beginning the negotiations.

We do not know when the Common Market identity will be known, when the various members joining the Common Market will be identified and made a part of it.

If Senators do not trust the administration, they should not pass the bill. The Senate is considering a bill to give to the administration authority to cut the remaining tariffs by 50 percent. Would Senators not rather provide for 5 years to do this, if the Executive is to use the authority? Would Senators not prefer to have that done in 5 years, instead of 3 or 2?

It will require a year for the administration to begin negotiating, and a year to complete the negotiations, following which they could implement them within a 3-year period under the 5-year program. Instead of having a longer period of time and more years in which to permit the new rates to phase in, would Senators wish to require that it be done in 1 year, or 2?

If Senators have no confidence in the President or the administration they should not pass any bill. If they do, they should pass a bill to put the President in the best position to achieve the greatest results over the period of time best calculated to enable the American economy to adjust itself to its posture of greater strength and preparation for the greater advance that will come in the new era of the European Economic Community, the Common Market, on the one hand and our own great industrial workshop on the other.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. KERR. I will yield in a moment.

The Senator from Montana indicated that the last time the act was extended President Eisenhower requested it be extended for 5 years. He got 4 years.

Certainly, in view of the fact that there will be at least a year of preparation before negotiations can get underway under this measure, actually we would be giving the present administration no greater amount of time in which to implement the program than was given to the previous President in the exten-

sion of the Trade Act which has just expired.

I yield to the Senator from Illinois.

The ACTING PRESIDENT pro tempore. All time has expired.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there may be 1 additional minute.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. DIRKSEN. Mr. President, in my judgment this involves no lack of confidence in the President. What is involved in a very fractious world, full of fever and friction, is the mutability of events and the change of circumstances which might take place over a 5-year period and which could put our country in a position of disadvantage, of which the Congress would have to take note.

I would feel happier if the measure were for 3 years instead of 5 years. Then we could take account of changes. If a change in the law were required, if there were restrictions or modifications required, it could be done before the damage was too heavy or got out of hand.

The ACTING PRESIDENT pro tempore. All time has expired.

Mr. DIRKSEN. Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. DIRKSEN]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Nevada [Mr. CANNON], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Ohio [Mr. LAUSCHE], the Senator from Oregon [Mrs. NEUBERGER], the Senator from Georgia [Mr. RUSSELL], and the Senator from Missouri [Mr. SYMINGTON] are absent on official business.

I further announce that the Senator from Alaska [Mr. GRUENING], is necessarily absent.

On this vote, the Senator from New Mexico [Mr. CHAVEZ] is paired with the Senator from Texas [Mr. TOWER].

If present and voting, the Senator from New Mexico would vote "nay," and the Senator from Texas would vote "yea."

On this vote, the Senator from Alaska [Mr. GRUENING] is paired with the Senator from South Dakota [Mr. BOTTUM].

If present and voting, the Senator from Alaska would vote "nay," and the Senator from South Dakota would vote "yea."

On this vote, the Senator from Oregon [Mrs. NEUBERGER] is paired with the Senator from Georgia [Mr. RUSSELL].

If present and voting, the Senator from Oregon would vote "nay," and the Senator from Georgia would vote "yea."

On this vote, the Senator from Missouri [Mr. SYMINGTON] is paired with the Senator from New Hampshire [Mr. MURPHY].

If present and voting, the Senator from Missouri would vote "nay," and the Senator from New Hampshire would vote "yea."

Mr. KUCHEL. I announce that the Senator from South Dakota [Mr. BOTTUM], the Senator from Indiana [Mr. CAPEHART], the Senator from Nebraska [Mr. HRUSKA], the Senators from New York [Mr. JAVITS and Mr. KEATING], the Senator from Kentucky [Mr. MORTON], and the Senator from New Hampshire [Mr. MURPHY] are necessarily absent.

The Senator from Texas [Mr. TOWER] is necessarily absent attending the Republican State Convention as required by Texas law.

On this vote, the Senator from South Dakota [Mr. BOTTUM] is paired with the Senator from Alaska [Mr. GRUENING]. If present and voting, the Senator from South Dakota would vote "yea," and the Senator from Alaska would vote "nay."

On this vote, the Senator from Indiana [Mr. CAPEHART] is paired with the Senator from New York [Mr. JAVITS]. If present and voting, the Senator from Indiana would vote "yea," and the Senator from New York would vote "nay."

On this vote, the Senator from Nebraska [Mr. HRUSKA] is paired with the Senator from New York [Mr. KEATING]. If present and voting, the Senator from Nebraska would vote "yea," and the Senator from New York would vote "nay."

On this vote, the Senator from New Hampshire [Mr. MURPHY] is paired with the Senator from Missouri [Mr. SYMINGTON]. If present and voting, the Senator from New Hampshire would vote "yea," and the Senator from Missouri would vote "nay."

On this vote, the Senator from Texas [Mr. TOWER] is paired with the Senator from New Mexico [Mr. CHAVEZ]. If present and voting, the Senator from Texas would vote "yea," and the Senator from New Mexico would vote "nay."

The result was announced—yeas 28, nays 56, as follows:

[No. 266]

YEAS—28

Allott	Curtis	Prouty
Beall	Dirksen	Robertson
Bennett	Fong	Saltonstall
Boggs	Goldwater	Talmadge
Bush	Hickenlooper	Thurmond
Butler	Jordan, Idaho	Wiley
Byrd, Va.	McClellan	Williams, Del.
Carlson	Miller	Young, N. Dak.
Cooper	Mundt	
Cotton	Pearson	

NAYS—56

Aiken	Hayden	Metcalf
Anderson	Hickey	Monroney
Bartlett	Hill	Morse
Bible	Holland	Moss
Burdick	Humphrey	Muskie
Byrd, W. Va.	Jackson	Pastore
Carroll	Johnston	Pell
Case	Jordan, N.C.	Proxmire
Church	Kefauver	Randolph
Clark	Kerr	Scott
Dodd	Kuchel	Smathers
Douglas	Long, Mo.	Smith, Mass.
Eastland	Long, Hawaii	Smith, Maine
Ellender	Long, La.	Sparkman
Engle	Magnuson	Stennis
Ervin	Mansfield	Williams, N.J.
Gore	McCarthy	Yarborough
Hart	McGee	Young, Ohio
Hartke	McNamara	

NOT VOTING—16

Bottum	Hruska	Neuberger
Cannon	Javits	Russell
Capehart	Keating	Symington
Chavez	Lausche	Tower
Fulbright	Morton	
Gruening	Murphy	

So Mr. DIRKSEN's amendment was rejected.

Mr. MANSFIELD. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. KERR. Mr. President, I move to lay that motion on the table.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Oklahoma.

The motion was agreed to.

LEGISLATIVE PROGRAM

Mr. DIRKSEN. Mr. President, I should like to query the distinguished majority leader as to whether it is his intention to complete action on the bill tonight.

Mr. MANSFIELD. Mr. President, the Senate willing, it would be our intention to try to complete consideration of the bill tonight, or at least to reach the third reading. Speaking personally, I should like not only to get to the third reading, but also to reach a vote on the bill. Inasmuch as we have been here this long, we should finish it if we can do so.

Then, as I discussed the subject with the minority leader, the Senate would meet at 12 o'clock tomorrow in order to give committees an opportunity to meet tomorrow morning while the Senate would not be in session. Those meetings would include the Committee on Foreign Relations and the Committee on Armed Services, meeting jointly, and the Committee on Labor and Public Welfare, in which the Senator from Michigan [Mr. MCNAMARA] is very much interested, as well as other committees.

That is something neither the Senator from Illinois nor the Senator from Montana can decide. It is our hope that we may reach the third reading tonight.

Mr. DIRKSEN. I wonder whether the distinguished majority leader would query the Senate for a moment to ascertain how many other amendments are likely to be offered and how much time the authors of the amendments would like to take.

Mr. BARTLETT. I have the floor.

Mr. MANSFIELD. The Senator may have the floor, but the Senator from Illinois was seeking recognition, and as a matter of courtesy, he should have been recognized.

Mr. BARTLETT. I make that statement merely to answer the Senator from Illinois as to how much time I intend to take. For myself, I would not take more than 10 minutes, and probably less.

Mr. PROUTY. Mr. President, I shall ask for a yea-and-nay vote on my amendment, but I will discuss it for only 2 or 3 minutes.

Mr. SCOTT. I shall need only 5 minutes on my amendment. I shall ask for a division, instead of a yea-and-nay vote on my amendment.

Mr. MANSFIELD. I should like to make a uanimous-consent request. I ask unanimous consent that there be allowed 20 minutes on each amendment, 10 minutes to a side.

Mr. WILLIAMS of Delaware. Mr. President, reserving the right to object, I have no objection to the request on the amendments that will be offered, if it is confined to the amendments that have been mentioned.

Mr. MANSFIELD. I know of only four amendments.

Mr. KERR. I have one substantive amendment to offer, and two technical amendments.

Mr. MANSFIELD. Let us apply it to these four amendments.

Mr. WILLIAMS of Delaware. Yes.

Mr. MANSFIELD. Twenty minutes on each amendment, with 10 minutes allowed to each side.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. RANDOLPH. Mr. President, reserving the right to object—and I shall not object—I should like to clarify the situation with reference to Members of the Senate—and I am one of them—who will want to speak, not on any particular amendment, but on the general subject matter before the Senate.

Mr. DIRKSEN. May I ask the distinguished Senator from West Virginia how long he intends to speak?

Mr. MANSFIELD. The Senator from West Virginia and any other Senator will be accommodated after a third reading, if it can be reached tonight.

Mr. RANDOLPH. Of course. I merely wished to clarify the situation.

Mr. HOLLAND. Reserving the right to object, does the unanimous-consent request contemplate votes on all amendments?

Mr. MANSFIELD. On the four amendments that have been mentioned.

Mr. HOLLAND. Those votes would be taken tonight?

Mr. MANSFIELD. Yes. There would be a time limitation of 20 minutes on each amendment. I am sure that some of the amendments will be considered fully in less than 5 minutes.

Mr. HOLLAND. What is the intention of the majority leader with reference to final passage?

Mr. MANSFIELD. I would like to reach the third reading and, if possible, final passage, tonight. However, I will be happy if we can have the third reading tonight.

Mr. McCLELLAN. Mr. President, reserving the right to object, why does not the Senator announce that the bill will not reach final passage tonight?

Mr. MANSFIELD. We will get to it if we can get to it at a reasonable hour. I would be happy to get to a third reading, and have the final vote tomorrow, even though some Senators may be discommoded as a result.

Mr. McCLELLAN. Mr. President, further reserving the right to object, there will be a number of speeches on the bill. If they are made tonight, the Senate will be in session quite late.

Mr. MANSFIELD. Most of those speeches will come after third reading. I hope the Senate will indulge us to the point of being able to go to at least the third reading tonight, but not beyond.

Mr. McCLELLAN. Not beyond?

Mr. MANSFIELD. No.

The ACTING PRESIDENT pro tempore. Is there objection to the unanimous-consent request?

Mr. GOLDWATER. Mr. President, we could not hear very well what the Senator was saying.

Mr. MANSFIELD. We will try at least to reach a third reading, but not beyond.

Mr. GOLDWATER. Will the distinguished majority leader agree that there will not be a vote on final passage tonight?

Mr. MANSFIELD. Yes.

Mr. GOLDWATER. The agreement he suggests is 20 minutes to a side. That would mean that the Senate would be in session beyond 1 o'clock.

Mr. MANSFIELD. Of course all that time will not be used. I said we would go to third reading only, not beyond.

Mr. GOLDWATER. And final passage would come tomorrow?

Mr. MANSFIELD. Yes.

The ACTING PRESIDENT pro tempore. Is there objection?

ORDER FOR ADJOURNMENT UNTIL 12 O'CLOCK NOON TOMORROW

Mr. DIRKSEN. I wonder if the majority leader would like now to present an order for the convening of the Senate tomorrow.

Mr. MANSFIELD. Since the bill is going to a third reading tonight, I ask unanimous consent that when the Senate completes its business tonight, it stand in adjournment until 12 o'clock noon tomorrow.

The ACTING PRESIDENT pro tempore. Is there objection to the request with respect to the adjournment?

The Chair hears none, and it is so ordered.

TRADE EXPANSION ACT OF 1962

The Senate resumed the consideration of the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes.

The ACTING PRESIDENT pro tempore. Is there objection to the unanimous-consent request with respect to the limitation of time on amendments?

The Chair hears none, and it is so ordered.

Mr. BARTLETT. Mr. President, I call up my amendment.

The ACTING PRESIDENT pro tempore. The clerk will state the amendment.

The LEGISLATIVE CLERK. In section 257, page 32, after line 14, insert the following new subsection (i):

(i) The Tariff Act of 1930 is amended by adding the following new section—

"SEC. —. CONSERVATION OF FISHERY RESOURCES.

"Upon the convocation of a conference on the use or conservation of international fishery resources, the President shall, by all appropriate means at his disposal, seek to persuade countries whose domestic fishing practices or policies affect such resources, to engage in negotiations in good faith relating to the use or conservation of such resources. If, after such efforts by the President and by other countries which have agreed to engage in such negotiations, any other country whose conservation practices or policies affect the interests of the United States and such other countries has, in the judgment of the President, failed or refused to engage in such negotiations in good faith, the President may, if he is satisfied that such action is likely to be effective in inducing such country to engage in such negotiations in good faith, increase the rate of duty on any fish in any form imported from such country into the United States, for such time as he deems necessary, to a rate not more than 50 per centum above the rate existing on July 1, 1934."

Mr. BARTLETT. Mr. President, I have offered this amendment on behalf of the Senators from Washington [Mr. MAGNUSON and Mr. JACKSON], the Senator from Florida [Mr. SMATHERS], and the Senator from Massachusetts [Mr. SMITH]. It will not be necessary, I hope, for me to detain the Senate long with respect to this amendment. I offered an amendment on the same subject earlier today and spoke concerning it at some length, but then withdrew it.

The present amendment proposes to achieve the same result sought by the earlier amendment, but with different language and with a different approach. In essence, its intention is to give the United States some power and authority in the conservation of fish in the high seas fisheries. The United States has the best conservation practices in the world, and we hope that other nations will build up to the standard we have set.

If the destruction of a species of fish being taken under terms of a convention to which the United States is a party, is threatened by the fishing practices of other nations which are not mindful of the needs of conservation, the President by this amendment would have power to act. We who sponsor this amendment do not contemplate that it will be used as an economic club to be used without restraint. We only want the high seas fisheries to be protected, so there will be fish for future generations.

It is my understanding that in the form in which it is now presented, the amendment probably is acceptable to the leadership. I hope that is the case.

Speaking personally, if the amendment should be agreed to, it would be all the easier for me to vote for the passage of the bill. I trust the amendment will be agreed to.

Mr. MAGNUSON. Mr. President, I associate myself with the remarks of the distinguished Senator from Alaska.

The PRESIDING OFFICER (Mr. MUSKIE in the chair). Is all time yielded back?

Mr. BARTLETT. I yield back the remainder of my time.

Mr. MANSFIELD. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Alaska [Mr. BARTLETT].

The amendment was agreed to.

Mr. SCOTT. Mr. President, on behalf of myself and the Senators from New York [Mr. JAVITS and Mr. KEATING] I offer the amendment which I send to the desk. I ask unanimous consent that the amendment not be read but that it be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 12, line 8, after "article" insert "included in a list submitted to the Tariff Commission under section 221(a)".

On page 14, between lines 3 and 4, insert the following:

"(c)(1) Subject to paragraph (3) of this subsection, the President shall reserve from negotiations under this title for the reduction of any duty or other import restriction or the elimination of any duty—

"(A) any article referred to in Agricultural Handbook No. 143, United States Department of Agriculture, as issued in September 1959, if (i) not more than 5 percent of the average annual domestic production of such article, in the most recent 5-year period, has been exported from the United States, and (ii) United States production and sales of such article have not been a substantial factor in determining the world market price over any 3 years of the most recent 5-year period, as determined by the Secretary of Agriculture; and

"(B) any article the major part of the cost of production of which is attributable directly to the cost of processing such article from an article or articles referred to in such Handbook No. 143, if (i) there is in effect with respect to such article or articles so referred to any action taken under the Agricultural Act of 1949, section 32, Public Law 320, Seventy-fourth Congress, or the Sugar Act of 1948, and (ii) the world market price of such article or articles so referred to has been at least 10 percent below the domestic market price over any 3 years of the most recent 5-year period, as determined by the Secretary of Agriculture;

unless there is in effect with respect to such article a multilateral agreement, negotiated by the President under section 204 of the Agricultural Act of 1956, with countries accounting for a significant part of world trade in such article.

"(2) If any interested party shall, at the hearings provided for under section 223, propose that any duty or other import restriction on any article reserved from negotiations under paragraph (1) be reduced or eliminated pursuant to negotiations under this title, the agency or interagency committee holding such hearings shall promptly submit a summary of the testimony received from such person to the Tariff Commission. The Tariff Commission shall, as soon as practicable after the receipt of such summary, advise the President with respect to such article of its judgment as to the probable economic effect of such reduction or elimination on industries producing like or directly competitive articles so as to assist the President in making an informed judgment as to the impact that might be caused by such reduction or elimination on United States industry, agriculture, and labor. In preparing its advice, the Tariff Commission shall, after reasonable notice, hold public hearings.

"(3) If the Tariff Commission shall advise the President that a reduction of any duty or other import restriction, or the elimination of any duty, on any article referred to in paragraph (2) would not cause, or threaten to cause, serious injury to the domestic industry producing like or directly competitive articles, the President may, to the extent that he determines such action to be in furtherance of the purposes of section 102, and notwithstanding the provisions of paragraph (1), make an offer for such reduction or elimination in negotiations under this title."

On page 14, line 4, strike out "(c)" and insert "(d)".

On page 14, line 5, strike out "(a) and (b)" and insert "(a), (b), and (c)(1)".

Mr. SCOTT. Mr. President, Congress has a duty to state clearly that domestic industries which are disadvantaged in international competition by governmental policies which directly raise their costs of production deserve the maximum safeguards compatible with the broad purposes of trade expansion. Furthermore, there are certain industries—especially in the agricultural field—which are not susceptible to real immediate help from a program of adjustment assistance.

In order to meet these special problems in the broadest and most flexible way, and without seriously diminishing the President's trade negotiation authority, I have offered, together with the Senators from New York [Mr. JAVITS and Mr. KEATING], an amendment intended to reserve from trade negotiations such items as are produced by industries which meet the conditions stated above. Also, a review procedure by the Tariff Commission would be provided for; and the President would have the additional choice of entering into international commodity agreements on these items.

In effect, any domestically produced item, for which the chief cost of processing derives from an agricultural product which is under a domestic price support program which causes the domestic price of the agricultural product to be at least 10 percent higher than the world market price, would be reserved from negotiations. This reservation, of course, would be subject to review by the Tariff Commission and would cease to be in effect once an international commodity agreement is entered into.

Further, an article referred to in Agricultural Handbook No. 143, of which the United States exports 5 percent or less of annual production, and the U.S. production and sales of which are not a substantial factor in determining the world market price, would also be reserved from negotiations. Again this reservation would be subject to review by the Tariff Commission and would cease to be in effect once an international commodity agreement was entered into.

Mr. President, while the amendment is broader in its effect than my illustration, it is intended to cover, among other items, problems facing the candy industry in this country through the importation of such items as sugar, chocolate, nuts, and the like.

At this point I am delighted to yield to my senior colleague from Pennsylvania.

Mr. CLARK. Mr. President, I am grateful to my colleague for yielding. As he well knows, the candy industry in Pennsylvania is most important. Unfortunately, Pennsylvania is affected by chronic and persistent unemployment. Does not the Senator agree with me that one of the difficulties which confronts Pennsylvania's very substantial candy industry is that it must buy sugar in a protected market and sell candy in a free market?

Mr. SCOTT. That is entirely true. In the course of competition, it must meet increasingly heavy competition from such countries as the Netherlands, Switzerland, Great Britain, and many other Western European countries, as well as some Asian countries. For example, in Western Europe the prices of such items as almonds, chocolate, and sugar are substantially lower; and, of course, wage levels are lower, too.

Mr. CLARK. Mr. President, will the Senator further yield?

Mr. SCOTT. I am delighted to yield.

Mr. CLARK. Does it not seem unfair to the Senator, as it does to me, that our domestic industry is confronted with the problem of having its raw materials far more expensive than the raw materials of its competitors because of the policies of the U.S. Government?

Mr. SCOTT. The Senator is entirely correct. It seems to me to be unfair. Not only are candy producers numerous, but some of them are among the best known in the United States. One entire community in Pennsylvania, the community of Hershey, is built almost solely around the production of that particular brand of chocolate candy, on which the employment of that entire area depends.

Mr. CLARK. Is it not true that the Senator and I are most anxious never to yield to a conflict of interest situation, but that every Member of the U.S. Senate has, during the last 2 or 3 years, as a result of the efforts of the Senator and myself, received from the Hershey Chocolate Co. a package glorifying the candy industry of Pennsylvania? I am sure the Senator would agree with me that that would not affect the votes of any Senators.

Mr. SCOTT. I am sure it would not; but I think the argument is sweet, has the succulence of persuasiveness, and is supplemented by the illustrative manner in which the producers have demonstrated and distributed their products.

Mr. CLARK. Mr. President, will the Senator further yield?

Mr. SCOTT. I am delighted to yield.

Mr. CLARK. What does the Senator have to say about mushrooms?

Mr. SCOTT. I feel much the same way about them, though perhaps not in so saccharin a sense. I have much the same concern about mushrooms, and hope that they also might be included among the agricultural products involved. The mushroom industry is a very important one, particularly in the southeastern part of Pennsylvania, although there is a substantial mushroom industry in other areas of the State. The mushroom industry has the same problem with respect to price competition.

Mr. CLARK. Without being facetious any longer, does not the Senator agree with me that the mushroom industry,

particularly in southeastern Pennsylvania, is a source of substantial employment of the working people of our State, and that it would be a real tragedy if a result of the trade bill should be to impinge in any way on the ability of the mushroom producers of Pennsylvania to continue the fairly profitable industry in which they are now engaged?

Mr. SCOTT. Yes. Those people do not have and never have had the kind of benefit which applies to the more glamorous products and products which are raised in far greater quantities in the United States. It is a small, highly specialized industry. It is limited in area. It requires specialized conditions for growth. It would unquestionably be very seriously injured. I think that for the first time in the history of the industry competition is now being felt.

Mr. CLARK. Would two of the principal purposes of the Senator's amendment be to protect the candy and the mushroom industries in our home State?

Mr. SCOTT. Yes; that is the purpose we have in mind.

Mr. CLARK. I am happy to support the amendment of my junior colleague.

Mr. SCOTT. I thank my colleague.

Mr. CASE. Mr. President, will the Senator from Pennsylvania yield?

Mr. SCOTT. I yield.

Mr. CASE. I do not wish to take as much time as the Senators from Pennsylvania have taken on the amendment and in assuring their constituents of their ardor in supporting it. But I join in supporting the amendment. I think it is important to the candy industry of the country.

Mr. SCOTT. I thank the Senator from New Jersey.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator from Pennsylvania yield?

Mr. SCOTT. I yield.

Mr. WILLIAMS of Delaware. I join the Senator from Pennsylvania in supporting the amendment. I joined in supporting it in the committee, and I support it on the floor. I hope it will be adopted.

Mr. SCOTT. That is very heartening, and I thank the Senator from Delaware.

Mr. President, in view of the support of the amendment, unless there is a demand for further time for debate, I shall be glad to yield back the remainder of the time under my control; and instead of requesting that the yeas and nays be ordered on the question of agreeing to the amendment, I request a division.

Mr. KERR. Mr. President, if I can understand any part of the amendment of the Senator from Pennsylvania, it is the last Curtis amendment on stilts and clothed in muslin. It covers two pages. In my judgment, it would be derogatory to and contradictory of much that is in the bill; and, in my opinion, the amendment should not be adopted.

Mr. SCOTT. Mr. President, if the Senator from Oklahoma will yield, let me say that I regret very much that he is of that opinion, because in the absence of the amendment, I fear that the bill would seriously damage a most important industry in our Commonwealth. Although I intend to support the trade bill, and am eager to do so, I would not like to see the amendment rejected. For the reasons which both Senators from Pennsylvania have stated, I hope the amendment will be agreed to.

Mr. KERR. Mr. President, when I first came to the Senate, I studied under a great mentor, Senator O'Mahoney, of Wyoming. One day I went to him and said to him that I had a very good bill, and wanted it passed. He read it for about 15 minutes, and then said, "Senator, if you will let me insert certain amendments, I will support your bill."

Mr. President, I do not know of any Senator who would not support this bill if we permitted him to write into it his amendments.

I deeply regret that I believe the amendment would do damage to the bill; and I must oppose the amendment.

Mr. President, I yield back the remainder of the time under my control.

The PRESIDING OFFICER. All remaining time on the amendment of the Senator from Pennsylvania has been yielded back.

On the question of agreeing to this amendment, a division has been requested.

On a division, the amendment was rejected.

Mr. MANSFIELD. Mr. President, I move that the vote by which the amendment was rejected be reconsidered.

Mr. SMATHERS. Mr. President, I move that the motion to reconsider be laid on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Florida.

The motion to lay on the table was agreed to.

Mr. MILLER. Mr. President, if I may have the attention of the Senator from Oklahoma [Mr. KERR], let me state that I contemplated offering an amendment to section 202 of the bill, on page 3. During the colloquy on the Bush amendment, which would have deleted this section, the Senator from Nebraska presented some rather impressive figures in regard to agricultural imports under duties of less than 5 percent ad valorem.

My amendment would have inserted on page 3, in line 18, following the word "article," the phrase "other than agricultural commodities and produce determined to be in surplus by the Secretary of Agriculture."

The objective of my amendment was to try to make sure that the policy of Congress, as being implemented by the Secretary of Agriculture, to cut down on our surpluses would not be frustrated by section 202 of the bill.

I shall appreciate it if the Senator from Oklahoma will comment on the amendment to which I have referred.

Mr. KERR. Mr. President, I think everything the Senator from Iowa seeks is taken care of under section 22 of the Agricultural Adjustment Act. If the Senator from Iowa will turn to page 32 of the bill, in line 11, he will find this language in paragraph (h):

(h) Nothing contained in this Act shall be construed to affect in any way the provisions of section 22 of the Agricultural Adjustment Act, or to apply to any import restriction heretofore or hereafter imposed under such section.

Not only does section 22 of the Agricultural Adjustment Act amply meet, in my opinion, the objective of the Senator from Iowa, but the bill protects section 22 insofar as any import restrictions which heretofore have been made or any under it which hereafter may be made are concerned.

In view of that fact, I hope the Senator from Iowa will not press for the adoption of his amendment.

Mr. MILLER. Mr. President, in view of the assurance and the explanation by the Senator from Oklahoma, I shall not offer my amendment. But I think it well to have the Senator's statement appear in the RECORD, because I believe that the tie-in between section 22 of the Agricultural Adjustment Act and this section of the bill was not brought out in previous colloquy. I believe that the Senator's explanation satisfies me; and I thank him.

Mr. KERR. I thank the Senator from Iowa.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. PROUTY. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment of the Senator from Vermont will be stated.

The CHIEF CLERK. On page 14, in line 13, after the word "with", it is proposed to strike out all the remainder of that line and all of lines 14, 15, and 16, and to insert in lieu thereof the following: "details of the advice provided by the Tariff Commission under section 221(b) and a statement of his reasons for entering into said agreement."

Mr. PROUTY. Mr. President, we have had a rather difficult period in discussing the proposed legislation; and it seems to me that this is a good time to offer what I regard as a noncontroversial amendment, so the debate may be ended in a spirit of harmony and good will.

Under the provisions of the pending bill, Congress will give the President unprecedented power and authority with respect to tariff negotiations. It appears to me that inasmuch as the levying of tariffs is the direct responsibility of Congress, it should be completely informed with respect to all aspects of the tariff negotiations.

The amendment I am offering requires that after the negotiations have been completed and the trade agreements have been entered into, the President in his report to Congress shall be required to give Congress a synopsis of the recommendations made to him by the Tariff Commission.

I can well understand the necessity to keep secret and privileged, pending negotiations, such advice by the Tariff Commission to the President. However, once the negotiations have been completed, I think it would be in keeping with congressional responsibility to have Congress given the benefit of the thinking of the Tariff Commission and the reasons for its recommendation to the President. Such a report, being made

after the fact, would not act as a deterrent on the President or on the negotiating team. However, it would provide Congress—for purposes of future legislation—with information which Congress could not possibly acquire in any other fashion.

I have discussed the amendment with the distinguished Senator from Oklahoma [Mr. KERR], and I discussed it particularly with a member of his staff. They seem to think the amendment is controversial. But I think we have a Government of checks and balances—although perhaps too many checks and no balances. I hope the distinguished Senator from Oklahoma will find it possible to take the amendment to conference.

Mr. KERR. I cannot do so.

I ask each Senator to turn to page 14 of the bill, section 226. They will find there language drafted by the House Ways and Means Committee, by the House itself, and by the Senate Finance Committee, which meets every objective that could possibly be attained by the amendment of the Senator from Vermont. Senators will find that the language of the bill, on line 11, page 14, states:

> The President shall transmit promptly to each House of Congress a copy of each trade agreement entered into under this title, together with a statement, in the light of the advice of the Tariff Commission under section 221(b) and of other relevant considerations, of his reasons for entering into the agreement.

Mr. PROUTY. Mr. President, I still believe I have the floor, but I am very happy to yield to the Senator from Oklahoma.

Mr. KERR. I beg the Senator's pardon. I thought he had yielded the floor.

Mr. PROUTY. I yield to the Senator from Oklahoma.

Mr. KERR. I thought I had the floor in my own right.

Mr. PROUTY. I yield to the Senator from Oklahoma. I would like to have him continue, if he will.

Mr. KERR. If Senators will look at the amendment by the Senator from Vermont, they will find that he has changed the word "the" agreement to the word "said" agreement; that he has changed the language by striking out "a statement, in the light of the advice of the Tariff Commission under section 221(b) and of other relevant considerations," which under the language of the bill, the President is directed to give to the Congress, and substituting the words, "details of the advice provided by the Tariff Commission under section 221(b) and a statement of his reasons," and so forth.

Aside from that, the only difference in the language is that it changes the word "the" to "said."

Mr. PROUTY. I have the floor, if the Senator will permit me to proceed.

Mr. KERR. I cannot do otherwise.

Mr. PROUTY. The amendment would merely require the President, after the fact of completing a trade agreement, to submit to the Congress, together with a copy of the agreement, a summary of the recommendation made to him by the Tariff Commission, as required under section 221(b). This amendment does not interfere with the President's prerogatives in negotiating treaties. It asks, after the fact, Has the President followed the recommendations of the Tariff Commission? If he has not, the Congress should be notified as to why he has not.

Mr. MILLER. Mr. President, will the Senator yield?

Mr. PROUTY. I yield. I thought the amendment was completely noncontroversial. Apparently it is not.

Mr. MILLER. Mr. President, I have read the amendment of the Senator from Vermont. I believe the difficulty is brought about by the wording of the bill which reads "in the light of the advice of the Tariff Commission." It seems to me what the Senator from Vermont has tried to do is make this language meaningful. What does "in the light of the advice of the Tariff Commission" mean, unless it means detailing the recommendations of the Tariff Commission? I believe this perhaps is—and it certainly should be—the intention of the drafters of the bill. I think that what the Senator from Vermont is trying to do is merely reword the language so that the intention behind it will actually be achieved.

I ask the Senator from Vermont if that is not what he is trying to do.

Mr. PROUTY. Absolutely. That is the only purpose I have in mind.

The PRESIDING OFFICER. Does the Senator from Vermont yield the floor?

Mr. PROUTY. No, I do not yield the floor. I am willing to yield to the Senator from Oklahoma.

Mr. KERR. When the Senator yields the floor, I shall be glad to take the floor.

Mr. PROUTY. I had intended to ask for the yeas and nays on my amendment. I am perfectly willing to have it go over until tomorrow, if it meets with the approval of the majority leader.

Mr. MANSFIELD. No; it does not.

Mr. President, I ask for the yeas and nays on the Prouty amendment.

The yeas and nays were ordered.

Mr. KERR. Mr. President, I will use 2 minutes and then yield back the remainder of my time. The language of the bill provides a very adequate precautionary requirement that—

> The President shall transmit promptly to each House of Congress a copy of each trade agreement entered into under this title, together with a statement, in the light of the advice of the Tariff Commission under section 221(b) and of other relevant considerations, of his reasons for entering into the agreement.

Why the Senator from Vermont should want to change the provision and make other requirements and different requirements is beyond the comprehension of the Senator from Oklahoma.

It was a matter fully considered by the Finance Committee of the Senate, by the House Ways and Means Committee, and by the House itself.

I hope the amendment will not be agreed to.

Mr. PROUTY. Mr. President, I would like to ask the distinguished Senator from Oklahoma what is meant by the phrase "in the light of the advice of the Tariff Commission"? I do not know what it means. I have asked a member of the staff. He told me he did not know what it meant.

Mr. KERR. To whom did the Senator address the question?

Mr. PROUTY. A member of the Senator's staff.

Mr. KERR. I do not know where the Senator makes his inquiries. I gave him a response.

Mr. PROUTY. I had discussed the question with a member of the Senator's staff. He listened to it. His staff member said, "This is no good, because the President will have to tell what the recommendations of the Tariff Commission were."

Mr. KERR. I refer Senators to the language of the bill——

Mr. PROUTY. I do not know what the language means. That is what I am trying to find out.

Mr. KERR. I cannot help the Senator if he does not understand it.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. PROUTY. I yield to the Senator from Colorado.

Mr. ALLOTT. Mr. President, the bill has been amended several times. It will have to go to conference. I think the amendment of the Senator from Vermont is a good one. I can understand why the Senator from Oklahoma does not want to put himself in the position of accepting amendments, because, as he said a few moments ago, if he starts it, he does not know where he will end. But I submit that the amendment the Senator from Vermont has offered is a very good one. I do not believe anyone could find anywhere in the statute books an interpretation of the language "in the light of the advice of the Tariff Commission."

The pending Prouty amendment would require that the reasons the Tariff Commission assigned to the President be made known to Congress. The language of the bill is vague. For that reason, we ought to tighten it so that Congress will know what it is getting.

Mr. PROUTY. May I add that this would be after the fact, after the treaty was negotiated, not before.

Mr. GORE. Mr. President, I suggest——

Mr. MANSFIELD. Mr. President, I yield to the Senator from Tennessee.

Mr. PROUTY. Mr. President, I think I have the floor, but I am happy to yield Senator from Tennessee.

The PRESIDING OFFICER. The Senator from Vermont is recognized.

Mr. PROUTY. I yield the floor.

Mr. MANSFIELD. Mr. President, I yield the Senator from Tennessee 3 minutes.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. GORE. Mr. President, I suggest that the provision in the bill is not ambiguous. It is a clear requirement that the President supply to the Congress the fullest possible information upon the negotiations and his reasons for entering into a trade agreement. If I did not

think the bill required that of the President, I would favor such an amendment; but I believe and I suggest to the Senator from Vermont that the provision in the bill is sufficient.

Mr. KERR. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time on the amendment has expired. The question is on agreeing to the amendment of the Senator from Vermont [Mr. PROUTY]. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Nevada [Mr. CANNON], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Mississippi [Mr. EASTLAND], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Arizona [Mr. HAYDEN], the Senator from Ohio [Mr. LAUSCHE], the Senator from Arkansas [Mr. MCCLELLAN], the Senator from Oregon [Mrs. NEUBERGER], the Senator from Virginia [Mr. ROBERTSON], the Senator from Georgia [Mr. RUSSELL], the Senator from Missouri [Mr. SYMINGTON], and the Senator from Florida [Mr. SMATHERS] are absent on official business.

I further announce that the Senator from Alaska [Mr. GRUENING] is necessarily absent.

I further announce that, if present and voting, the Senator from New Mexico [Mr. ANDERSON], the Senator from Mississippi [Mr. EASTLAND], the Senator from Arizona [Mr. HAYDEN], the Senator from Virginia [Mr. ROBERTSON] would each vote "nay."

On this vote, the Senator from New Mexico [Mr. CHAVEZ] is paired with the Senator from Texas [Mr. TOWER]. If present and voting, the Senator from New Mexico would vote "nay," and the Senator from Texas would vote "yea."

On this vote, the Senator from Alaska [Mr. GRUENING] is paired with the Senator from South Dakota [Mr. BOTTUM]. If present and voting, the Senator from Alaska would vote "nay," and the Senator from South Dakota would vote "yea."

On this vote, the Senator from Oregon [Mrs. NEUBERGER] is paired with the Senator from New Hampshire [Mr. MURPHY]. If present and voting, the Senator from Oregon would vote "nay," and the Senator from New Hampshire would vote "yea."

On this vote, the Senator from Florida [Mr. SMATHERS] is paired with the Senator from New York [Mr. KEATING]. If present and voting, the Senator from Florida would vote "nay," and the Senator from New York would vote "yea."

On this vote, the Senator from Missouri [Mr. SYMINGTON] is paired with the Senator from Nebraska [Mr. HRUSKA]. If present and voting, the Senator from Missouri would vote "nay," and the Senator from Nebraska would vote "yea."

Mr. KUCHEL. I announce that the Senator from South Dakota [Mr. BORTUM], the Senator from Indiana [Mr. CAPEHART], the Senator from Nebraska [Mr. HRUSKA], the Senators from New York [Mr. JAVITS and Mr. KEATING], the Senator from Kentucky [Mr. MORTON], and the Senator from New Hampshire [Mr. MURPHY] are necessarily absent.

The Senator from Texas [Mr. TOWER] is necessarily absent, attending the Republican State Convention as required by Texas law.

The Senator from Kentucky (Mr. COOPER], the Senator from Arizona [Mr. GOLDWATER], and the Senator from Wisconsin [Mr. WILEY] are also necessarily absent.

On this vote, the Senator from Nebraska [Mr. HRUSKA] is paired with the Senator from Missouri [Mr. SYMINGTON]. If present and voting, the Senator from Nebraska would vote "yea," and the Senator from Missouri would vote "nay."

On this vote, the Senator from South Dakota [Mr. BOTTUM] is paired with the Senator from Alaska [Mr. GRUENING]. If present and voting, the Senator from South Dakota would vote "yea," and the Senator from Alaska would vote "nay."

On this vote, the Senator from New Hampshire [Mr. MURPHY] is paired with the Senator from Oregon [Mrs. NEUBERGER]. If present and voting, the Senator from New Hampshire would vote "yea," and the Senator from Oregon would vote "nay."

On this vote, the Senator from Indiana [Mr. CAPEHART] is paired with the Senator from New York [Mr. JAVITS]. If present and voting, the Senator from Indiana would vote "yea," and the Senator from New York would vote "nay."

On this vote, the Senator from New York [Mr. KEATING] is paired with the Senator from Florida [Mr. SMATHERS]. If present and voting, the Senator from New York would vote "yea," and the Senator from Florida would "nay".

On this vote, the Senator from Texas [Mr. TOWER] is paired with the Senator from New Mexico [Mr. CHAVEZ]. If present and voting, the Senator from Texas would vote "yea," and the Senator from New Mexico would vote "nay."

The result was announced—yeas 21, nays 54, as follows:

[No. 267 Leg.]

YEAS—21

Aiken	Cotton	Miller
Allott	Curtis	Mundt
Bennett	Dirksen	Pearson
Boggs	Dodd	Prouty
Bush	Fong	Scott
Butler	Hickenlooper	Thurmond
Carlson	Jordan, Idaho	Williams, Del.

NAYS—54

Bartlett	Hill	Monroney
Beall	Holland	Morse
Bible	Humphrey	Moss
Burdick	Jackson	Muskie
Byrd, Va.	Johnston	Pastore
Byrd, W. Va.	Jordan, N.C.	Pell
Carroll	Kefauver	Proxmire
Case	Kerr	Randolph
Church	Kuchel	Saltonstall
Clark	Long, Mo.	Smith, Mass.
Douglas	Long, Hawaii	Smith, Maine
Ellender	Long, La.	Sparkman
Engle	Magnuson	Stennis
Ervin	Mansfield	Talmadge
Gore	McCarthy	Williams, N.J.
Hart	McGee	Yarborough
Hartke	McNamara	Young, N. Dak.
Hickey	Metcalf	Young, Ohio

NOT VOTING—25

Anderson	Gruening	Neuberger
Bottum	Hayden	Robertson
Cannon	Hruska	Russell
Capehart	Javits	Smathers
Chavez	Keating	Symington
Cooper	Lausche	Tower
Eastland	McClellan	Wiley
Fulbright	Morton	
Goldwater	Murphy	

So Mr. PROUTY's amendment was rejected.

Mr. KERR. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. KUCHEL. Mr. President, with great reluctance, and yet with great honor, I move to lay on the table the motion of the distinguished Senator from Oklahoma.

The PRESIDING OFFICER. The question is on agreeing to motion of the Senator from California.

The motion was agreed to.

Mr. BUSH. Mr. President, I offer an amendment, which I send to the desk, and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 81, line 14, it is proposed to strike out the word "profit" and insert in lieu thereof the words "level of reasonable profit."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Connecticut.

Mr. BUSH. Mr. President, the amendment is what I would call a conforming amendment, to conform to the committee amendment which appears on page 35, line 2, of the bill. The bill provides that when the Tariff Commission is engaged in a finding of serious injury, it shall take into account all economic factors which the Commission considers relevant "including idling of productive facilities, inability to operate at a level of reasonable profit."

On page 35 the committee amendment speaks of a "level of reasonable profit" rather than merely at a "profit."

On page 81 similar language appears in connection with the Tariff Commission advice as to whether a remedy for serious injury shall remain in effect. My amendment would merely provide that on page 81, line 14, the language "level of reasonable profit" be inserted so as to make the language on page 81 conform with the committee amendment language on page 35. That is the amendment.

Mr. KERR. Mr. President, the amendment is clearly within the spirit and meaning of the bill, and I urge its adoption.

The PRESIDING OFFICER. Is all time yielded back?

Mr. BUSH. Mr. President, I yield back the remainder of my time.

Mr. KERR. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Connecticut.

The amendment was agreed to.

Mr. BUSH. I thank the able Senator from Oklahoma for his courtesy.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. KERR. Mr. President, if there are no further amendments to be offered, I call up my amendment No. 2, which I believe is purely technical.

The PRESIDING OFFICER. The amendment of the Senator from Oklahoma will be stated.

The CHIEF CLERK. On page 33, line 21, after the figure "351" and before the word "may" it is proposed to insert "or for the negotiation of an agreement under section 352."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oklahoma.

Mr. WILLIAMS of Delaware. Mr. President, I do not believe I have any objection to the amendment, but what is its purpose?

Mr. KERR. On page 33, in line 21, after the figure "351" and before the word "may," it is proposed to insert "or for the negotiation of an agreement under section 352."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oklahoma.

The amendment was agreed to.

Mr. KERR. Mr. President, I call up my amendment No. 1 and ask that it be stated.

The PRESIDING OFFICER. The amendment of the Senator from Oklahoma will be stated.

The CHIEF CLERK. On page 21, line 10, beginning after "(3)", it is proposed to strike out the language down to and including the comma on line 11.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oklahoma.

Mr. KERR. Mr. President, I ask unanimous consent that debate on the pending amendment may be subject to a limitation of time.

Mr. WILLIAMS of Delaware. The Senator from Oklahoma may commit himself to whatever time he wishes. Then I shall take whatever time I think is necessary.

Mr. KERR. Would 10 minutes on a side be agreeable?

Mr. WILLIAMS of Delaware. It may not take that much time. I merely want to be sure I have enough time to protect the committee's amendment.

Mr. KERR. What amount of time does the Senator desire?

Mr. WILLIAMS of Delaware. I have not heard the Senator from Oklahoma make his speech as yet.

Mr. KERR. If Senators will turn to page 21 of the bill, beginning at line 10, they will see that there is inserted a new paragraph setting forth what the President shall do in certain eventualities. The language begins at the bottom of page 20, line 24:

(a) Whenever foreign import restrictions impair the value of tariff commitments made to the United States, unjustifiably oppress the commerce of the United States, or prevent the expansion of trade on a mutually advantageous basis, the President shall—

(1) take all appropriate and feasible steps within his power to eliminate such restrictions, and

(2) refrain from negotiating the reduction or elimination of any United States import restriction under section 201(a) in order to obtain the reduction or elimination of any such restriction, and—

Then the next paragraph sets forth what the President shall further do—

(3) notwithstanding any other provision of law or any provision of any trade agreement—

Which is purely an introductory phrase since the language following it sets forth what the President shall do—

he shall impose duties or other import restrictions on the products of any foreign country or instrumentality establishing or maintaining such foreign import restrictions against United States agricultural products, to the extent he deems such duties and other important restrictions necessary to prevent the establishment or obtain the removal of such foreign import restrictions and to provide access for United States agricultural products to the markets of such country or instrumentality on an equitable basis.

The Senator from Oklahoma finds no fault whatever with the language which provides what the President shall do. But the Senator from Oklahoma calls the attention of Senators to the first phrase in the paragraph: "notwithstanding any other provision of law or any provision of any trade agreement."

The Senator from Oklahoma does not think that the mandate in that paragraph is of such dignity as to place it in the posture of being the most important, and the paragraph of highest priority of any in the bill.

It would be of a higher priority than any of the treaties in which our Government has entered. It would be of higher priority than any law that has been passed in connection with the Reciprocal Trade Agreements since their commencement. It would be of higher priority than any provision of any trade agreement that has been negotiated in the period of more than a quarter of a century that we have had the program. Therefore, the Senator from Oklahoma thinks that the language lifts that one paragraph out and puts it in such an inordinate position of priority that the President must disregard any treaty to which our Government is a party, and must disregard any other provision of law that has been passed for a quarter of a century. It would compel the President to disregard any trade agreement that has been made in that period of 25 years in order to carry out the very simple provisions of the section, other than the introductory phrase.

Mr. PASTORE. Mr. President, will the Senator yield for a question?

Mr. KERR. I yield.

Mr. PASTORE. Is the Senator from Oklahoma suggesting that the first 2 lines of subparagraph (3) be stricken?

Mr. KERR. That is all. That is what the amendment would do. It would not take from the paragraph a single item of the mandate as to what the President shall do. It would merely leave the provision on such a basis that he would act as he would act under the other 2 provisions in the section, eliminating the language which would place his obligation in that particular paragraph above any treaty, law, or trade agreements that have been made.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. HICKENLOOPER. I am interested in learning what the purpose of the amendment is. I would not raise the question as to whether a statute passed by Congress could vitiate a treaty that had been formally entered into with the advice and consent of the Senate.

Mr. KERR. I do not know whether it could. If it cannot, I see no reason why we should do a futile thing by passing a law which said it could. If it can, I see no basis for us to carry out a simple mandate in the section and attempt to do that which the Senator has asked me whether we had the power to do.

Mr. HICKENLOOPER. I have no particular quarrel with the statement of the Senator that it would abrogate or displace trade agreements which had been raised to the dignity of a treaty, but I would seriously question whether a statute in and of itself could destroy the effect of a treaty that had once been entered into.

Mr. KERR. If it cannot, it is not only necessary, but futile. If it can, it is a very serious breach of our obligations under the treaty.

Mr. WILLIAMS of Delaware. Mr. President, the committee amendment was not intended to give any authority to the President to override any existing treaty. The legislative record—and the Senator from Oklahoma is aware of it—is very clear. It provides that the President shall not enter into any future trade agreement under the restriction we are laying down.

I told the Senator from Oklahoma, and I told the State Department, that if there was the least concern about the language of the amendment, we could put in front of the words "trade agreement" the words "any future" to make it clear that it refers to any future trade agreement. I suggested that language to the State Department official with whom I consulted. I am willing to say "of this act" or "any future trade agreement." I intend to make it prospective in its application. They say they have no intention of violating any of these sections. If they do not, what is the object to putting in that language?

The amendment was approved by the Finance Committee by a vote of 15 to 2, in the form in which it is now before the Senate. At this late hour I am disappointed that an effort is being made to take out of the bill the language which the committee by an overwhelming vote felt it was necessary to put in the bill.

I hope that the Senator from Oklahome will not press his amendment. I would be perfectly willing to make the language on the second line read "future trade agreement."

The staff has suggested the language "notwithstanding any other provision of law or any provision of any trade agreement entered into under authority of this act." That would make it clear

that we were not attempting to override any past trade agreements. I recognize that once an agreement is entered into between this country and any other country we should not override it by an act of Congress. I am not attempting to do it. The suggested language would make it very clear that this provision is applicable only to future trade agreements, trade agreements entered into under authority of this act; and that could not possibly be interpreted to apply to anything else. I agree with the Senator from Oklahoma with respect to the impropriety of overriding any existing treaty.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. PASTORE. What the Senator is saying is that when any foreign country deliberately institutes a limitation or restriction against American products, we should retaliate.

Mr. WILLIAMS of Delaware. To the extent that the President deems necessary the President has authority to act. Lest there be any misunderstanding, I am not trying to cripple the bill. I will vote for the bill whether this amendment is in it or not. The administration does not have to make any deal with me to get it passed. I shall vote for it. I have supported the trade extension act over many years, and I shall continue to do so. My vote on the bill is not contingent upon the acceptance of this amendment. At the same time I believe that the committee amendment has merit and should remain in the bill.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. PASTORE. Why is the Senator insisting upon the words "any other provision of law"? It strikes the Senator from Rhode Island that that language could be deleted, and that it would serve the purpose if it merely read: "notwithstanding any provision of any trade agreement under this act," and then the word "impose," and so forth.

Mr. WILLIAMS of Delaware. The staff told me that the reason that this language was used was that the phrase was in one of the other amendments which was adopted by the committee; therefore the same language was used, to avoid confusion. In addition, I suggested that it be limited to this act, and the State Department representative said that he would prefer that this language read "of this law."

Mr. PASTORE. When the Senator says "any other provision of law," he is not limiting the language to this act.

Mr. WILLIAMS of Delaware. On page 83, the Senator will find the identical language used. That is the reason for using that language here. Otherwise, a great deal of argument would be involved, I believe.

Mr. PASTORE. The reason I raise the question is that the Senate has already agreed that the language is intended to apply only to future trade agreements under this particular act. That being the case, I do not understand why the Senator wishes to include the other phrase.

Mr. WILLIAMS of Delaware. As I have said, I would be willing to strike the word "law" and insert "this Act." I agree with the Senator from Rhode Island. If we strike out "law" and insert "this Act" the language will be clearer. That would be agreeable to me. I suggested that earlier but was advised not to press it.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. CURTIS. I call the attention of Senators to the fact that at page 83 the committee wrote in an amendment authorizing the President to increase duties and impose import restrictions, and in so doing, the committee provided that the President shall do so "notwithstanding any other provision of law." That principle has been adopted in the amendment we are discussing, as a part of the bill. The Williams amendment merely leaves the same language: "notwithstanding any other provision of law."

Mr. WILLIAMS of Delaware. My first suggestion was what I stated earlier. I am perfectly willing to make this change.

Mr. PASTORE. I repeat my suggestion that the section should read: "Notwithstanding any provision of any trade agreement entered into under this Act," and then go on with "impose" and so forth. I believe that would accomplish the Senator's purpose. I strongly recommend to the Senator from Oklahoma that he take the amendment to conference.

Mr. WILLIAMS of Delaware. I would be willing to accept such a change. I intended to make it prospective. I am not trying to insert any element of retroactivity. I have been advised by the Department of State that no such agreement has ever been entered into. There is none in existence now. Even if it were to read "provision of law" it would be immaterial because I am advised that there has been no provision of law under which this has been done. I am more than willing to accept the suggested change.

Mr. GORE. Mr. President, reference has been made to the amendment on page 83. The suggestion has been made that the amendment on page 83 is comparable to that one page 21. If Senators will turn to page 83, they will find that the power contained in the amendment on that page, which amendment was offered by the distinguished junior Senator from Georgia [Mr. TALMADGE], is entirely permissive. It reads:

> Notwithstanding any other provision of law, the President may—

And so forth. On page 21, line 3, the language is: "the President shall."

That is an unmistakable, unqualiefid mandate or requirement of law, if the bill be enacted in this form.

I was one of the two members of the Committee on Finance who voted against the entire amendment, from line 10 through line 20. I still believe the entire amendment should be stricken. But if it is the desire of the Senate to leave a part of the amendment in the bill, lines 10 and 11, which require the President to impose the duties, regardless of any other commodity involved in any other agreement, regardless of any other agreement or any other law, should be retained.

Other amendments and other provisions of the bill refer to many commodities which might be affected by trade agreements. Most commodities—will be affected in one way or another by existing trade agreements. This provision of law would require the President to give to the particular commodities referred to or protected by the amendment priority over every other commodity, over every agreement, over every other law.

I suggest that the amendment goes entirely too far. Although it would be my preference to strike the whole amendment, I shall support the amendment of the senior Senator from Oklahoma.

Mr. KERR. Mr. President, I thank the distinguished Senator from Tennessee for calling attention to the difference in language on pages 21 and 83 of the bill. I had intended to call attention to that difference, but the Senator from Tennessee has ably done so.

The language on page 83 reads: "The President may."

On page 21, the language reads: "The President shall."

The Senator from Delaware, speaking about the language on page 21 being patterned after the language on page 83—and the Senator from Georgia will bear me out—has stated that the language on page 83 was not placed in the bill until after action had been taken on the language on page 21.

The Senator from Delaware was present when the action was taken. So even if the word "shall" were used on page 83, which it is not, it would not have been a precedent for the language on page 21, because it was not adopted by the committee and was not placed in the bill until the language on page 21 had been acted on.

Mr. WILLIAMS of Delaware. I never said that the language on page 83 was comparable to that on page 21. I said the language in the first part was identical. Both amendments were before members of the committee.

It is true that on page 21 the word is "shall" whereas on page 23 the word is "may." But if we continue to read the language on page 21 it is "shall to the extent he deems such duties and other import restrictions necessary."

That is permissive language. What is the objection to including it in the bill?

Since its adoption I have yet to hear any representative of the State Department or any other department tell me personally that there is any objection to the amendment. The Department has a representative on the floor of the Senate, but I had to ask him. They know where I am located. I am a member of the Finance Committee. The committee approved this language by a vote of 15 to 2. The chairman of the committee is on the floor of the Senate, and I am sure that he will confirm the vote. Why has not the Department come before us and stated its objection to the amendment? The Senator from Oklahoma said the Department had objection to it. Its representatives have not told me of

any objection since the committee adopted the amendment.

Mr. PASTORE. Mr. President, will the Senator from Delaware yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. PASTORE. Why does the Senator limit the language to agricultural products? Why does he not include all products? A group of jewelry industry representatives from my State came to see me and said they were willing to sell their products in foreign countries, and that foreign merchants were ready to buy their products, but that there were restrictions on obtaining credit.

Why should not this be a general provision rather than only for agricultural products?

Mr. WILLIAMS of Delaware. It is general so far as agriculture is concerned. The Senator has made a good point but that is not before us now.

The reason lies in the problem we had in connection with poultry, but all agricultural commodities could be affected.

After the Common Market was established a tariff arrangement was negotiated about the end of July, and a special tax, called a variable fee, of about 9 cents a pound was established. This was a new kind of charge which prohibited or practically stopped the export of American poultry.

The State Department, upon the insistence of several Senators from the States affected, interceded with representatives of the Common Market. I received a letter from the State Department, which I placed in the RECORD a few weeks ago, which stated that they had received assurance that the German Government would abolish these unusual charges assessed as variable fees, gate charges, and so forth.

But a few days later a rule was made that any poultry sold for export from this country must be delivered in the European country in three days. That means it can be shipped only by air. That is moving from one unreasonable proposal to another. The bill states that in such cases the President shall take such action as outlined in the amendment and to the extent he feels necessary to protect American agriculture.

Mr. MILLER. Mr. President, will the Senator from Delaware yield?

Mr. WILLIAMS of Delaware. First, I send to the desk a substitute for the amendment offered by the Senator from Oklahoma and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. In lieu of the matter proposed to be stricken on page 21, line 10, it is proposed to insert the following:

(3) notwithstanding any other provision of this Act or any provision of any trade agreement entered into under the authority of this Act.

Mr. WILLIAMS of Delaware. Mr. President, I will yield to the Senator from Iowa in a moment.

The substitute amendment would clear up beyond any doubt any question but that this proposal is applicable only to future agreements. It would completely eliminate the objections raised by the Senator from Oklahoma that past agreements would be nullified. That certainly never was the intention. As I previously stated, I have been advised that we have never entered into any such agreement.

I yield to the Senator from Iowa.

Mr. MILLER. Mr. President, I should like to add to what the Senator from Delaware has said and have the attention of the Senator from Rhode Island. In response to his question as to why the amendment should not have general application, I suggest the reason is the action of the Common Market itself.

Only with respect to certain agricultural commodities has the Common Market declared its policy of self-sufficiency, and this language is in the nature of a protective device to offset that policy. Had the Common Market not adopted that policy, the need for this language would not have existed. But the Common Market policy exists, and I think it is well for us to recognize it by strengthening the position of the United States, as this provision has done.

Mr. PASTORE. What harm would be done by making the language general? That would cover the situation of future actions of restriction on the part of any exporting country.

Mr. MILLER. I suggest that if the Common Market had declared a self-sufficiency policy on everything, the Senator's point would be well taken. But since the Common Market has adopted a policy of self-sufficiency only with respect to agriculture, I suggest that that is the reason the amendment was confined to agriculture.

Mr. PASTORE. That may be so; but if the amendment is a good one, it ought to apply to all products.

Mr. BUSH. Mr. President, will the Senator from Rhode Island yield?

Mr. PASTORE. I do not have the floor.

Mr. BUSH. If the Senator from Rhode Island would offer an amendment to strike "agricultural" in those two places in that paragraph, I should like to join him in supporting such an amendment.

Mr. PASTORE. I think the Senator from Delaware should do it himself.

Mr. WILLIAMS of Delaware. But this is a committee amendment, and I do not have authority to change it. However, if that is what is bothering the Senator from Oklahoma, I would go along if he would submit such a proposal. But I cannot speak for the committee on a proposal to make that change; I do not have such authority.

This is a committee amendment; and the intention clearly was to make the provision prospective, not retroactive.

Mr. PASTORE. Will the Senator yield, so that I may move a modification by striking out the word "agricultural" in two places?

Mr. WILLIAMS of Delaware. I cannot under the rules accept such an amendment.

Mr. PASTORE. Mr. President, will it be in order for me to offer to the pending amendment an amendment to strike out the word "agricultural" in line 15 and in lines 18 and 19?

The PRESIDING OFFICER. The Chair rules that such an amendment to the amendment to the amendment would not now be in order.

The question is on agreeing to the amendment of the Senator from Delaware [Mr. WILLIAMS] to the amendment of the Senator from Oklahoma [Mr. KERR].

Mr. WILLIAMS of Delaware. Mr. President, I hope the Senator from Oklahoma will be willing to accept this proposal as a modification of his amendment. I think that would be a reasonable settlement.

Again I emphasize that I have no desire to have past agreements repudiated. It was clearly the intention to make this provision prospective, not retroactive. We were told by all parties interested that it would be unnecessary to specify that it would not be retroactive on the theory that we could not violate past agreements. However, to avoid any confusion I wish to make this provision prospective, and I think this suggested language would do so. If this amendment is adopted we can go on to clear up the bill.

Mr. YARBOROUGH. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. Mr. President, I yield the floor.

Mr. KERR. Mr. President, the distinguished Senator from Delaware has made a statement on which I feel I must comment.

In the committee there was a misunderstanding in regard to the vote on the amendment. I offered this amendment, and I heard the announcement of the vote, and I heard the statement that there were eight votes on one side and seven on the other. I was sitting within 1 foot of the distinguished chairman of the committee, the senior Senator from Virginia [Mr. BYRD], who announced the result of the vote. I understood him to say that my amendment to delete that sentence was approved by a vote of 8 to 7. That is the way I understood the announcement that was made by the chairman—whereupon I said, "I now offer the Williams amendment with the first sentence deleted." The roll was called, and that amendment was adopted by a vote of 14 to 2.

Then I left the room with the distinguished Senator from Georgia, in an effort to bring about an accommodation between him and representatives of the administration, with reference to another part of the bill. When I returned, the staff advised me that the 8-to-7 vote of the committee, instead of deleting that sentence, had been against deleting it.

I know what the committee voted on in adopting the amendment, because I made the motion. It is entirely possible that I could have misunderstood my good friend the Senator from Virginia, although I was sitting within 1 foot of him. But it is not possible that I did not know what I was doing when I offered the Williams amendment with that sentence

deleted; and I cast five proxies in favor of the motion which I had made.

But the way the staff recorded the vote was that my original motion to delete had lost by a vote of 7 to 8, instead of having been adopted by a vote of 8 to 7, and that the amendment voted on by the committee was the full amendment, instead of the amendment without that sentence, as I had offered the amendment.

I am sure the Senator from Delaware [Mr. WILLIAMS] understood it the other way; but I offer that explanation only because of the fact that twice he has said that the committee approved this proposal by a vote of 15 to 2, whereas I know of 6 votes which were cast in favor of the amendment, because I, myself, cast them. I cast them for my own motion.

I ask the Senator from Minnesota how he understood it.

Mr. McCARTHY. I understood it in the same way the Senator from Oklahoma did. It was my understanding that the first sentence had been stricken out.

Mr. KERR. Yes, when we were voting for this amendment.

Mr. McCARTHY. That is correct.

Mr. KERR. I cast six votes for the amendment, and the Senator from Minnesota cast two votes for the amendment. But then we are told that the vote was overwhelmingly the other way. However, the Senator from Tennessee and the Senator from Illinois voted against it; and if I had not been positive that I was voting for the amendment without that sentence, and if the Senator from Minnesota had not been positive that he was voting for that amendment without that sentence, instead of being overwhelmingly adopted by the Finance Committee, it would have been defeated by at least a vote of seven in favor and eight opposed. That is a fact.

But now the Senator from Delaware wants to have that sentence included.

I say to Senators that when we pass this bill and when the conference report is approved, it will be the Trade Act, and will provide the President's authority in this field.

But under the amendment which the Senator from Delaware now seeks to have adopted, there would be a sentence providing that this one sentence is to be preeminent over any other section of the bill, and that notwithstanding any other section of the bill which the House and the Senate voted, this one sentence will be the law and the President shall do these things.

Mr. GORE. Mr. President, will the Senator from Oklahoma yield?

Mr. KERR. I yield to the Senator from Tennessee.

Mr. GORE. Would not it also mean, as to these particular products, that the requirement of the bill on page 21, if it is written into the law, would take precedence over such agreements made by authority of the bill in regard to any other commodities?

Mr. KERR. Yes, over all other commodities in which we engage in trade.

Mr. LONG of Louisiana. Mr. President, will the Senator from Oklahoma yield?

Mr. KERR. I yield.

Mr. LONG of Louisiana. Under this amendment, would not the following be true: Let us assume that the European countries think they have some right to protect a particular agricultural commodity—for example, chickens—and let us assume that they think they are within their rights in doing so, whereas we think they are not within their rights in doing that. Could not it then be argued that although they were willing to buy more coal, cotton, and rice, our President would be forced to impose duties on many things that they would be selling us, until they agreed with our interpretation of the law in regard to chickens?

Mr. KERR. That is correct.

Mr. LONG of Louisiana. So chickens would come ahead of everything else, even though we might think other commodities might be more important than chickens.

Mr. KERR. Yes, or just as important.

Mr. McCARTHY. Would not this sentence give to agricultural commodities more protection than that given to any other products?

Mr. KERR. That is correct.

Mr. PASTORE. That is why I think the sentence should be deleted.

Mr. KERR. I know the Senator from Rhode Island does; and we can address ourselves to that sentence if the amendment of the Senator from Delaware to my amendment is rejected—which I devoutedly hope will be the case.

Mr. ERVIN. Mr. President, I wonder if the Senator from Oklahoma will yield for a question?

Mr. KERR. I yield.

Mr. ERVIN. I wanted to ask the Senator from Oklahoma if he could arrange some way by which we can vote on this proposal so that all of us can go to roost. [Laughter.]

Mr. KERR. Mr. President, having a community of interest and desire with the distinguished Senator from North Carolina, I yield the floor.

Mr. YARBOROUGH. Mr. President, some reference has been made to Delaware. The hour is late, but I hope we shall not vote on the theory that only Delaware is interested. Every agricultural industry is involved. My State has been discriminated against in the shipment of meat to Germany. In addition, ports of New York and other great ports are interested in seeing that agricultural exports are protected. There is a great interest in this product in my State, and I hope this modicum of protection for agriculture is not thrown out, because every student of economy knows that agriculture is the segment that is really going to be given a beating.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. YARBOROUGH. I yield.

Mr. PASTORE. If the word "agricultural" were taken out and the provision were made general, agricultural products would still be protected, but they are being singled out when other products may be just as important to certain States as meat is to Texas.

Mr. KERR. Mr. President, will the Senator yield?

Mr. YARBOROUGH. I yield.

Mr. KERR. Is the Senator aware of the fact that with the language of the phrase taken out, protection of agricultural products is not diminished one iota?

Mr. YARBOROUGH. I think it would be safer with the phrase in there. If it meant nothing, I do not think there would be such a fight being made on the floor over it.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that there be a limitation of 5 minutes to the side on the pending amendment, and that the Senate then vote.

The PRESIDING OFFICER. Is there objection?

Mr. WILLIAMS of Delaware. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. WILLIAMS of Delaware. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WILLIAMS of Delaware. Mr. President, I ask unanimous consent that further proceedings under the quorum call be suspended.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WILLIAMS of Delaware. Mr. President, I shall not question the understanding of the Senator from Oklahoma in committee. He said he did not know what he was doing, and if he said he did not know what he was doing I will have to assume that is correct. I will say, generally speaking, he usually knows what he is doing.

This was an amendment which I offered in the committee in the identical form in which it is now before the Senate. The Senator from Oklahoma offered an amendment to strike certain language in my amendment. It was defeated. Whether the Senator from Oklahoma so understood what happened I do not know, but I definitely understood that the amendment of the Senator from Oklahoma was defeated, and the records of the committee show that it was defeated.

After defeating his amendment it was my amendment that was pending, and I usually am able to submit my own amendments without resorting to assistance from the Senator from Oklahoma to move their adoption. I asked for a record vote on my amendment, and it was approved by a vote of 15 to 2. The Senator from Oklahoma—who now says he did not know what he was doing—voted for it. But I want to say to him that I appreciate that vote. I appreciate also the six proxies he voted. I wish he would be as understanding or in the same mood now as he was then, and we would settle this question in a hurry. I am sorry that he now appears to be as confused as he was in the committee.

To get back to the pending amendment it was clearly pointed out in the committee that the provision was prospective and that that was the intention. The committee amendment is exactly as approved by the committee. The official records of the committee will show that the amendment of the Senator from Ok-

lahoma was defeated. No one has falsified the records of the committee. I do not think the Senator from Oklahoma is accusing anyone of so doing. I know of no one who was confused except the Senator from Oklahoma.

I have offered this as a substitute. I think it is a very reasonable substitute. It definitely makes it prospective. The other members of the committee with the exception of the Senator from Oklahoma knew what they were doing. Our committee usually knows what it is doing. I will say further that the Senator from Oklahoma usually knows what he is doing.

Mr. President, I ask for a vote.

Mr. MANSFIELD. Mr. President, I had hoped the impasse which now confronts the Senate would not be facing us at this time. I have nothing but the highest degree of respect, affection, and confidence for and in both the distinguished senior Senator from Oklahoma [Mr. KERR] and the distinguished senior Senator from Delaware [Mr. WILLIAMS]. I am sorry that it seems impossible at this time to bring about an accommodation on the part of the two Senators. I would like, however, to make one attempt on my own, and this is being done without having discussed this suggestion either with the Senator from Oklahoma or the Senator from Delaware.

If I may have the attention of both Senators, I would like to make this proposal: On line 10, page 21, strike out "notwithstanding any other provision of law or any provision of any trade agreement," retain the word "impose," and insert between the word "impose" and the word "duties" on line 11 the word "such" so as to read "impose such duties or other import restrictions on the products of any foreign country or instrumentality," and so forth and so on.

Would that be satisfactory to both Senators?

Mr. WILLIAMS of Delaware. That would run into more trouble downtown than before.

Mr. MANSFIELD. This is the Senate. I am asking Senators if they will reach an accommodation. I think we can handle our own responsibilities.

Mr. WILLIAMS of Delaware. I agree with the Senator that this is the Senate, but I also want to say that the Senate committee was in agreement on this language until someone from downtown came up here and insisted that it be changed. The Senate is made up of adults. We are competent to act. Why jump every time the State Department snaps its fingers. The objection, and the only objection, which was raised at first was that the provision could be interpreted to be retroactive. I said it was clearly intended that it should not be retroactive; and if necessary I said I would see that the language was changed in any manner necessary to make sure that it would not be retroactive. This language would be in conference if there were a further complication.

I think the action of the committee should be sustained.

Mr. KERR. Mr. President, may I see what the Senator from Montana has suggested?

Mr. President, after looking at the wording, I recommend the adoption of the suggestion of the majority leader.

Mr. MANSFIELD. Mr. President, will the Senator from Delaware make his wishes known?

Mr. WILLIAMS of Delaware. No—not with the other language stricken out.

Mr. MANSFIELD. I have done the best I could. Is there to be a vote on the Williams substitute at this time?

Mr. WILLIAMS of Delaware. I am willing to vote now on the substitute. Is the Senate to stay in session and complete action? I would like to have a yea-and-nay vote on the substitute language.

HOUSING FOR THE ELDERLY ACT

Mr. WILLIAMS of New Jersey. Mr. President, I am extremely pleased to see Senate passage today of the bill, H.R. 12628, to increase funds for the loan program to provide housing for the elderly.

New Jersey has long taken an active, interested part in the development of specially designed housing for senior citizens. My State is a recognized leader in the field of public housing for our older citizens and we have a large number of projects in numerous communities already occupied, under construction and in various planning stages.

There is also a great need for special housing for our senior citizens whose incomes are just a little too high to be eligible for public housing and yet are too low to permit them to obtain good, suitable housing in the private market. The direct loan program, administered by the Community Facilities Administration of the Housing and Home Finance Agency, is aimed at helping to fill that gap, and its present authorization of $125 million is far too small to permit the program to fulfill its objectives. The present proposal to increase the authorization to $225 million is of course a small step in the right direction, and I fully support its enactment.

The record shows that applications for direct loans total much more than the amount presently authorized, and the increased authorization would encourage other groups and sponsors to continue their plans for the development of good senior citizens housing in the knowledge that Congress will support their programs. The Housing and Home Finance Agency, directed by Administrator Robert C. Weaver and his Office of Housing for Senior Citizens are to be commended for their continuing and enthusiastic support of the Federal programs for senior citizens housing. President Kennedy urged the Nation to move forward, and the results in the housing for senior citizens programs show real progress. On an overall basis, commitments in 1961 for specially designed housing units for the elderly in the three special rental housing programs more than doubled the 1960 pace. Moreover, in 1961 alone, applications for Federal assistance in the development of these housing units almost equaled the total received during the previous 5 years. This is a record all of us can be proud to share.

A number of applications for direct loans for senior citizen housing have been made by prospective sponsors in New Jersey and at the present time two applications for projects are being processed by the Community Facilities Administration; one would be located in Atlantic City and would provide for a total of 231 units and another sponsor would build a project of 50 units in East Orange.

Applications for mortgage insurance under the FHA nursing home program have been received for projects in Elizabeth, Linwood, Ridgewood, Roxbury Township, Teaneck, and Westwood. In total, these projects will add 479 beds to the nursing home structure in my State and our elderly will benefit in large part from these additions to the supply of skilled nursing home facilities. I am also pleased to note that there is one application—profit motivated—in process for quite a large senior citizens housing complex of 580 units proposed for Atlantic City which would be developed under the FHA section 231 housing for the elderly program.

It is reassuring to note that interest in sponsoring suitable housing for our elderly is mounting all over the country. Our older population in New Jersey need many, many units at prices they can afodr to pay. The enactment of H.R. 12628 which occurred today will further stimulate this interest and demonstrate that Congress is responsive to the needs and will of the people.

IN SUPPORT OF THE PROPOSAL TO INCREASE THE AUTHORIZATION FOR THE DIRECT LOAN SENIOR CITIZENS HOUSING PROGRAM

Mr. HUMPHREY. Mr. President, it is indeed a great pleasure for me to congratulate the Senate on increasing the funds to be authorized for the senior citizens housing program. Increasing the authorization to $225 million from the present $125 million level as provided in this bill will lend strong support and encouragement to the prospective sponsors of such projects to proceed with their plans.

To our millions of elderly citizens, who within themselves contain vast resources of knowledge and experience—but who are in the millions of cases, in need of better, more suitable housing—the approval today of this increase will indicate that Congress is meeting its responsibilities and keeping faith with the national housing policy.

In our own great State of Minnesota, we are already fortunate and pleased that good progress is being made to meet some of the housing needs of our thousands of elderly citizens. Counting only those who are 65 years of age and over, slightly over 10 percent of the popula-

tion fall within that age group—169,000 in 1960; and since the Federal programs provide that persons 62 and over are eligible for occupancy of the federally assisted housing projects for the elderly, an even larger percentage of the population of the State are eligible.

I am pleased to note that there are applications in various stages of processing for specially designed senior citizens housing in each of the major federally assisted programs—in public housing, in the FHA mortgage insurance program, and in the direct loan program. I have been impressed by the new vitality which has developed in these programs since President Kennedy was inaugurated and by the effective work of Robert C. Weaver, the Administrator of the Housing and Home Finance Agency and his staff.

Dr. Weaver is to be congratulated for his foresight in organizing a central Office of Housing for Senior Citizens to coordinate these programs. It was particularly encouraging to note that in the first year of the Kennedy administration, applications for senior citizens housing units almost equalled the total received during the previous 5 years, and that commitments for these units in 1961 alone more than doubled the 1960 total.

I am very encouraged to note that, as of June 30, 1962, data show that special housing projects for our Minnesota senior citizens are planned for or being constructed or already exist in at least 18 different communities, and that these communities run the gamut from such small towns as Blue Earth, Glenwood; Hoffman, and Montivedeo to our leading metropolitan cities including Duluth, Minneapolis, and St. Paul.

Included among the projects are 11 under the direct loan program for a total of 982 units. Two projects with 102 units are under construction, 4 projects with 516 units have received loan agreements and 5 projects with 516 units are in the application processing stage. The public housing projects include 1,840 units, and the FHA mortgage insurance program will provide for another 416 units. The FHA also has an application for a nursing home to contain 92 beds—which will help to fill the need for nursing care, most of which stems from our elderly population.

While we are far from meeting the housing needs of our own senior citizens and only making the most modest plans for assisting in the development of the 5 million units which the recent report by our Subcommittee on Housing for the Elderly suggests are needed, today's increase in the present authorization for the direct loan program to $225 million is a step in the right direction.

COMMUNITY PROFILES—PROVIDENCE, R.I.

Mr. PELL. Mr. President, I was most pleased and proud to note that the August 1962 edition of Footlight, issued by the National Culture Center, pays tribute to the dynamic efforts to my own State of Rhode Island on behalf of the National Culture Center.

Under the exceptionally capable leadership of Mr. John Nicholas Brown, a Rhode Island program has been organized which I believe compares most favorably with the efforts of any other State in the Union.

I ask unanimous consent that the article "Community Profiles—Providence, R.I.," which appeared in the August 1962 edition of Footlight, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

COMMUNITY PROFILES—PROVIDENCE, R.I.

The smallest State in the Union has a most impressive list of sponsors for the November telecast. So many enterprises are interested in participating that the Rhode Island Committee for the National Cultural Center was formed, under the dynamic leadership of John Nicholas Brown, a board of trustees member.

With the assistance of his public relations adviser, Will Barbeau, Mr. Brown has made his group into one of the most vigorous associated with the center. Two separate events for the night of the telecast are being planned. A $100-a-plate dinner will be given in the Biltmore ballroom, while, in the Veterans' Auditorium, 2,000 seats will be offered at an average price of $10 each. Mr. Brown's committee has set $60,000 as their goal for the evening.

Among the sponsoring groups linked to the committee are three whose activities lie in contrasting areas of the performing arts. They are the Rhode Island Philharmonic Orchestra, the Civic Chorale, and the Rhode Island Associated Community Theaters.

In addition to its regular concerts, the Philharmonic directs a substantial part of its efforts to providing music for the State's youth. One-third of the support for such concerts comes from the children's own voluntary quarters. The 17-year-old, 50-piece orchestra is under the musical direction of Francis Madeira.

The purpose of the Civic Chorale, under its president, Mrs. Edwin Hallenbeck, and its conductor, Dr. Louis Pichieri, is to present religious and secular chorale works, while at the same time helping those with serious musical ambitions to make a start. The chorale gives three concerts a year, and will present a Bach festival next year for the first time.

The Rhode Island Associated Community Theaters is made up of 12 theatrical companies, playing across the State. Headed by Rhode Island Associated Community Theaters president, Irving Silverman, the groups work together, exchanging technical and educational information. They even call upon each other to assist in casting difficult roles.

Providence, R.I., provides conspicuous proof that energetic encouragement of the performing arts is not governed by territorial size.

THOMAS G. MASARYK: FREEDOM FIGHTER; FOUNDER OF FREE CZECHOSLOVAKIA

Mr. PELL. Mr. President, last Friday, September 14, marked the 25th anniversary of the death of the great European and Czechoslovak statesman, the founder of the Czechoslovak Republic in 1912, Thomas G. Masaryk. As a result of the years I was stationed with our Embassy in Prague and established the American Consulate General in Bratislava and through subsequent trips to Czechoslovakia, I have developed a special appreciation for Masaryk's greatness.

Masaryk's name is hated by the Bolsheviks, but sacred to the Czechoslovak people who remain in spite of all the pressure of the Communist regime, faithful to Masaryk's democratic ideas. The Communists have good reason to fear the memory of Thomas Masaryk. In 1898, long before the became the first President of the Czechoslovak nation, he wrote a scholarly study critical of Marxism. I was shocked to learn just today that a wreath which was placed by the American Embassy in Prague on the tomb of Thomas Masaryk with the inscription "From the American People," was removed immediately by the Communist government. So, it is, indeed, obvious that the memory of Thomas G. Masaryk still frightens those who are afraid of freedom.

I know of few men more devoted to the principles of T. G. Masaryk than Dr. Peter Zenkel, the president of the executive committee of the Council of Free Czechoslovakia, and I take this opportunity to salute this brave man who defied the Nazis and the Communists and who now continues to fight for his country's freedom in exile here in America.

Mr. President, the Council of Free Czechoslovakia recently issued a proclamation in honor of the 25th anniversary of Masaryk's death, and I ask unanimous consent that the proclamation be printed in the RECORD.

There being no objection, the proclamation was ordered to be printed in the RECORD, as follows:

T. G. MASARYK, 1850–1937–1962—HE PASSED AWAY 25 YEARS AGO

The Council of Free Czechoslovakia reminds all Czechs and Slovaks at home and abroad as well as the whole cultured world that, on September 14, 1962, a quarter of a century has already elapsed since the death of the great philosopher and founder of the Czechoslovak Republic, T. G. Masaryk. Of course it was only his body and soul that left us. In our thoughts, in our daily life and in our political struggle he is with us more than ever. All democratic Czechs and Slovaks are inspired by his example and believe in the democracy he wanted, in a democracy of free and responsible people, in a humanitarian democracy of high cultural standards.

A quarter of a century after Masaryk's death we see his personality from a higher vantage point and in a deeper historical context. And from this vantage point, which only history can offer, Masaryk's personality, Masaryk's teachings, and Masaryk's work appear in a new light.

During the time of his professorship at Charles University and his public activity, his contemporaries considered Masaryk as being too modern and too radical. In his classes he discussed Western philosophical ideas, little known at that time in Czech academic circles. He developed his own philosophy of Czech history. He advocated the emancipation of women and was opposed to their inferior position in the family and in public life. He opposed the domination of the state by one single church, and fought bitterly against the prejudices against Jews. He advocated more advanced education of the common people and opposed the special rights of the privileged social classes. He fought for the moral rebirth of the nation as well as for the full establishment of civil

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE

(For information only; should not be quoted or cited)

Issued Sept. 20, 1962
For actions of Sept. 19, 1962
87th-2d, No. 169

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HIGHLIGHTS: House agreed to conference report on agricultural appropriation bill, and insisted on disagreement to certain Senate amendments. Senate passed foreign trade bill. Rep. Wickersham criticized CED farm plan. House passed bill to provide for cooperation with States in administration of agricultural laws. House committee reported bills to increase number of new counties in crop insurance program, and to further restrict interstate movement of diseased livestock and poultry. Sen. Proxmire commended farmers for keeping food prices low.

SENATE

1. FOREIGN TRADE. By a vote of 78 to 8, passed with amendments H. R. 11970, the proposed Trade Expansion Act of 1962 (pp. 18745-71). Agreed to an amendment by Sen. Mansfield to modify the language requiring the President, in cases where foreign import restrictions are injurious to U. S. trade, and notwithstanding any other provision of law or any provision of any trade agreement, to impose duties or other import restrictions on the products of any foreign country establishing or maintaining such foreign import restrictions against U.S. agricultural products, so as to strike out the phrase "notwithstanding any other provision of law or any provision of any trade agreement" and insert instead the phrase "notwithstanding any provision of any trade agreement un-

der this Act" (p. 18745). Conferees were appointed (p. 18771). As passed the bill includes provisions as follows: Authorizes the President to enter into foreign trade agreements for five years, from July 1, 1962, to June 30, 1967. Provides the President with basic authority to reduce duties by 50 percent of the level existing on July 1, 1962, and to increase duties to 50 percent over the July 1, 1934, level, and to impose quotas or other import restrictions. Authorizes the President to reduce by more than 50 percent or to remove duties on articles within categories when he has determined that the U.S. and the countries composing the Free European Trading Community together account for 80 percent of the free world trade in such categories of articles in a representative period. Authorizes the President to reduce by more than 50 percent or to remove duties on agricultural materials and articles referred to in USDA Agricultural Handbook No. 143, as issued in Sept. 1959, whenever he determines that such an agreement will tend to assure the maintenance or expansion of U. S. exports of like articles. Authorizes the President to reduce by more than 50 percent or to remove duties on tropical agricultural or forestry commodities whenever he determines that like commodities are not produced in significant quantities in the U. S. Authorizes the President to reduce or remove entirely all duties which were 5 percent or less on July 1, 1962. Authorizes the President, when he finds it in the national interest, to proclaim the increase of any existing duty to such rate as he finds necessary, to impose duties on items not otherwise subject to duty, and to impose quotas or other such import restrictions as he finds necessary. Authorizes the President to withdraw existing trade agreement benefits or to refrain from proclaiming any negotiated trade agreement concessions to countries which maintain unreasonable import restrictions which burden U. S. commerce directly or indirectly. Provides that the President may impose duties or other import restrictions on the products of any country establishing or maintaining burdensome restrictions against U. S. agricultural products. Requires the President in certain circumstances to reserve from negotiations for further tariff cuts any articles with respect to which there were outstanding proclamations under the national security or escape-clause provisions of existing law or of the bill, and any articles which the Tariff Commission found under existing law that imports of such article were seriously injuring or threatening serious injury to the domestic industry concerned. Retains the national security provisions of the present act governing the authority of the President to take action to adjust the level of imports when he finds they threaten to impair the national security. Requires, in general, that tariff reductions shall be made in no less than five annual stages. Requires the Tariff Commission to advise the President with respect to the probable economic effect of any proposed trade agreement action with respect to any article. Requires the President to afford interested persons an opportunity to present their views on matters pertinent to a trade agreement negotiation to any agency or interagency committee which he designates. Requires the President to appoint a Special Representative for Trade Negotiations to be chief representative of the U.S. at any principal negotiations conducted under the bill. Requires the President to establish an interagency organization composed of the Special Representative and such heads of departments and other officers he may choose to advise him on trade matters. Requires the President to transmit to Congress a copy of each trade agreement entered into with a statement of reasons for entering into the agreement. Provides for tariff adjustment assistance to industry and adjustment assistance to workers found to have been adversely affected by increased imports resulting in major part from trade agreement concessions.

U. S. DEPARTMENT OF AGRICULTURE
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87TH CONGRESS
2D SESSION

H. R. 11970

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 19, 1962

Ordered to be printed with the amendments of the Senate numbered

AN ACT

To promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—SHORT TITLE AND PURPOSES

SEC. 101. SHORT TITLE.

This Act may be cited as the "Trade Expansion Act of 1962".

SEC. 102. STATEMENT OF PURPOSES.

The purposes of this Act are, through trade agreements affording mutual (1)*trade* benefits—

(1) to stimulate the economic growth of the United States and maintain and enlarge foreign markets for the products of United States agriculture, industry, mining, and commerce; (2)*and*

(2) to strengthen economic relations with foreign countries through the development of open and non-discriminatory trading in the free (3)~~world;~~ *world.*

(4)~~(3) to assist in the progress of countries in the earlier stages of economic development; and~~

~~(4) to prevent Communist economic penetration.~~

TITLE II—TRADE AGREEMENTS

CHAPTER 1—GENERAL AUTHORITY

SEC. 201. BASIC AUTHORITY FOR TRADE AGREEMENTS.

(a) Whenever the President determines that any existing duties or other import restrictions of any foreign country or the United States are unduly burdening and restricting the foreign trade of the United States and that any of the purposes stated in section 102 will be promoted thereby, the President may—

(1) after June 30, 1962, and before July 1, 1967,

enter into trade agreements with foreign countries or instrumentalities thereof; and

(2) proclaim such modification or continuance of any existing duty or other import restriction, such continuance of existing duty-free or excise treatment, or such additional import restrictions, as he determines to be required or appropriate to carry out any such trade agreement.

(b) Except as otherwise provided in this title, no proclamation pursuant to subsection (a) shall be made—

(1) decreasing any rate of duty to a rate below 50 percent of the rate existing on July 1, 1962; or

(2) increasing any rate of duty to (or imposing) a rate more than 50 percent above the rate existing on July 1, 1934.

SEC. 202. LOW-RATE ARTICLES.

Section 201 (b) (1) shall not apply in the case of any article for which the rate of duty existing on July 1, 1962, is not more than 5 percent ad valorem (or ad valorem equivalent). In the case of an article subject to more than one rate of duty, the preceding sentence shall be applied by taking into account the aggregate of such rates.

CHAPTER 2—SPECIAL PROVISIONS CONCERNING (5)~~EUROPEAN ECONOMIC COMMUNITY~~ *FREE EUROPEAN TRADING COMMUNITY*

SEC. 211. IN GENERAL.

(a) In the case of any trade agreement with the (6)~~European Economic Community~~ *Free European Trading Community*, section 201 (b) (1) shall not apply to articles in any category if, before entering into such trade agreement, the President determines with respect to such category that the United States and all countries of the (7)~~European Economic Community~~ *Free European Trading Community* together accounted for 80 percent or more of the aggregated world export value of all the articles in such category.

(b) For purposes of subsection (a)—

(1) As soon as practicable after the date of the enactment of this Act, the President shall—

(A) after taking into account the availability of trade statistics, select a system of comprehensive classification of articles by category, and

(B) make public his selection of such system.

(2) As soon as practicable after the President has selected a system pursuant to paragraph (1), the Tariff Commission shall—

(A) determine the articles falling within each category of such system, and

(B) make public its determinations.

The determination of the Tariff Commission as to the articles included in any category may be modified only by the Tariff Commission. Such modification by the Tariff Commission may be made only for the purpose of correction, and may be made only before the date on which the first list of articles specifying this section is furnished by the President to the Tariff Commission pursuant to section 221.

(c) For the purpose of making a determination under subsection (a) with respect to any category—

(1) The determination of the countries of the (8) ~~European Economic Community~~ *Free European Trading Community* shall be made as of the date of the request under subsection (d).

(2) The President shall determine "aggregated world export value" with respect to any category of articles—

(A) on the basis of a period which he determines to be representative for such category, which period shall be included in the most recent 5-year period before the date of the request under subsection (d) for which statistics are available and shall contain at least 2 one-year periods,

(B) on the basis of the dollar value of exports

as shown by trade statistics in use by the Department of Commerce, and

(C) by excluding exports—

(i) from any country of the (9)~~European Economic Community~~ *Free European Trading Community* to another such country, and

(ii) to or from any country or area which, at any time during the representative period, was denied trade agreement benefits under section (10)~~231 or~~ *231*, under section 5 of the Trade Agreements Extension Act of (11)~~1951.~~ *1951, or under section 401(a) of the Tariff Classification Act of 1962.*

(d) Before the President makes a determination under subsection (a) with respect to any category, the Tariff Commission shall (upon request of the President) make findings as to—

(1) the representative period for such category,

(2) the aggregated world export value of the articles falling within such category, and

(3) the percentage of the aggregated world export value of such articles accounted for by the United States and the countries of the (12)~~European Economic Community~~ *Free European Trading Community,*

and shall advise the President of such findings.

(e) The exception to section 201 (b) (1) provided by subsection (a) shall not apply to any article referred to in Agricultural Handbook No. 143, United States Department of Agriculture, as issued in September 1959.

SEC. 212. AGRICULTURAL COMMODITIES.

In the case of any trade agreement with the (13) ~~European Economic Community~~ *Free European Trading Community*, section 201 (b) (1) shall not apply to any article referred to in Agricultural Handbook No. 143, United States Department of Agriculture, as issued in September 1959, if before entering into such agreement the President determines that such agreement will tend to assure the maintenance or expansion of United States exports of the like article.

SEC. 213. TROPICAL AGRICULTURAL AND FORESTRY COMMODITIES.

(a) Section 201 (b) (1) shall not apply to any article if, before entering into the trade agreement covering such article, the President determines that—

(1) such article is a tropical agricultural or forestry commodity;

(2) the like article is not produced in significant quantities in the United States; and

(3) (14) ~~the European Economic Community has made a commitment with respect to duties or other import restrictions which is likely to assure access for~~

~~such article to the markets of the European Economic Community~~ *the European Economic Community, and any country (not within the European Economic Community) which is included within the Free European Trading Community, have made commitments with respect to duties or other import restrictions which are likely to assure access for such article to the markets of the Free European Trading Community* which—

(A) is comparable to the access which such article will have to the markets of the United States, and

(B) will be afforded substantially without differential treatment as among free world countries of origin.

(b) For purposes of subsection (a), a "tropical agricultural or forestry commodity" is an agricultural or forestry commodity with respect to which the President determines that more than one-half of the world production is in the area of the world between 20 degrees north latitude and 20 degrees south latitude.

(c) Before the President makes a determination under subsection (a) with respect to any article, the Tariff Commission shall (upon request of the President) make findings as to—

(1) whether or not such article is an agricultural

or forestry commodity more than one-half of the world production of which is in the area of the world between 20 degrees north latitude and 20 degrees south latitude. and

(2) whether or not the like article is produced in significant quantities in the United States,

and shall advise the President of such findings.

CHAPTER 3—REQUIREMENTS CONCERNING NEGOTIATIONS

SEC. 221. TARIFF COMMISSION ADVICE.

(a) In connection with any proposed trade agreement under this title, the President shall from time to time publish and furnish the Tariff Commission with lists of articles which may be considered for modification or continuance of United States duties or other import restrictions, or continuance of United States duty-free or excise treatment. In the case of any article with respect to which consideration may be given to reducing the rate of duty below the 50 percent limitation contained in section 201(b)(1), the list shall specify the section or sections of this title pursuant to which such consideration may be given.

(b) Within 6 months after receipt of such a list, the Tariff Commission shall advise the President with respect to each article of its judgment as to the probable economic

effect of modifications of duties or other import restrictions on industries producing like or directly competitive (15) ~~articles.~~ *articles, so as to assist the President in making an informed judgment as to the impact that might be caused by such modifications on United States industry, agriculture, and labor.* (16) ~~In the course of preparing such advice, the Tariff Commission shall, after reasonable notice, hold public hearings.~~

(17) *(c) In preparing its advice to the President, the Tariff Commission shall, to the extent practicable—*

(1) investigate conditions, causes, and effects relating to competition between the foreign industries producing the articles in question and the domestic industries producing the like or directly competitive articles;

(2) analyze the production, trade, and consumption of each like or directly competitive article, taking into consideration employment, profit levels, and use of productive facilities with respect to the domestic industries concerned, and such other economic factors in such industries as it considers relevant, including prices, wages, sales, inventories, patterns of demand, capital investment, obsolescence of equipment, and diversification of production;

(3) describe the probable nature and extent of any significant change in employment, profit levels, use of pro-

ductive facilities and such other conditions as it deems relevant in the domestic industries concerned which it believes such modifications would cause; and

(4) make special studies (including studies of real wages paid in foreign supplying countries), whenever deemed to be warranted, of particular proposed modifications affecting United States industry, agriculture, and labor, utilizing to the fullest extent practicable the facilities of United States attachés abroad and other appropriate personnel of the United States.

(18)*(d) In preparing its advice to the President, the Tariff Commission shall, after reasonable notice, hold public hearings.*

SEC. 222. ADVICE FROM DEPARTMENTS.

Before any trade agreement is entered into under this title, the President shall seek information and advice with respect to such agreement from the Departments of Agriculture, Commerce, Defense, Interior, Labor, State, and Treasury, and from such other sources as he may deem appropriate.

SEC. 223. PUBLIC HEARINGS.

In connection with any proposed trade agreement under this title, the President shall afford an opportunity for any interested person to present his views concerning any article on a list published pursuant to section 221, any article

which should be so listed, any concession which should be sought by the United States, or any other matter relevant to such proposed trade agreement. For this purpose, the President shall designate an agency or an interagency committee which shall, after reasonable notice, hold public hearings, shall prescribe regulations governing the conduct of such hearings, and shall furnish the President with a summary of such hearings.

SEC. 224. PREREQUISITE FOR OFFERS.

The President may make an offer for the modification or continuance of any duty or other import restriction, or continuance of duty-free or excise treatment, with respect to any article only after he has received advice concerning such article from the Tariff Commission under section 221 (b), or after the expiration of the relevant 6-month period provided for in that section, whichever first occurs, and only after the President has received a summary of the hearings at which an opportunity to be heard with respect to such article has been afforded under section 223.

SEC. 225. RESERVATION OF ARTICLES FROM NEGOTIATIONS.

(a) While there is in effect with respect to any article any action taken under—

(1) Section (19)~~232 or 351,~~ *232, 351, or 352,*

(2) section 2 (b) of the Act entitled "An Act to

extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended", approved July 1, 1954 (19 U.S.C., sec. 1352a), or

(3) section 7 of the Trade Agreements Extension Act of 1951 (19 U.S.C., sec. 1364),

the President shall reserve such article from negotiations under this title for the reduction of any duty or other import restriction or the elimination of any duty.

(b) During the (20)~~4-year~~ *5-year* period which begins on the date of the enactment of this Act, the President shall reserve an article (other than an article which, on the date of the enactment of this Act, was described in subsection (a)(3)) from negotiation under this title for the reduction of any duty or other import restriction or the elimination of any duty where—

(1) pursuant to section 7 of the Trade Agreements Extension Act of 1951 (or pursuant to a comparable Executive order), the Tariff Commission found by a majority of the Commissioners voting that such article was being imported in such increased quantities as to cause or threaten serious injury to an industry,

(2) such article is included in a list furnished to the Tariff Commission pursuant to section 221 (and has not been included in a prior list so furnished), and

(3) upon request on behalf of the industry, made not later than 60 days after the date of the publication of such list, the Tariff Commission finds and advises the President that economic conditions in such industry have not substantially improved since the date of the report of the finding referred to in paragraph (1).

(c) In addition to the articles described by subsections (a) and (b), the President shall also so reserve any other article which he determines to be appropriate, taking into consideration the advice of the Tariff Commission under section 221 (b), any advice furnished to him under section 222, and the summary furnished to him under section 223.

SEC. 226. TRANSMISSION OF AGREEMENTS TO CONGRESS.

The President shall transmit promptly to each House of Congress a copy of each trade agreement entered into under this title, together with a statement, in the light of the advice of the Tariff Commission under section 221 (b) and of other relevant considerations, of his reasons for entering into the agreement.

CHAPTER 4—NATIONAL SECURITY

SEC. 231. PRODUCTS OF COMMUNIST COUNTRIES OR AREAS.

The President shall, as soon as practicable, suspend, withdraw, or prevent the application of the reduction, elimination, or continuance of any existing duty or other import

restriction, or the continuance of any existing duty-free or excise treatment, proclaimed in carrying out any trade agreement under this title or under section 350 of the Tariff Act of 1930, to products, whether imported directly or indirectly, of (21) ~~any country or area dominated or controlled by Communism~~ *the Union of Soviet Socialist Republics, Communist China, and any other country or area dominated or controlled by the foreign government or foreign organization controlling the world Communist movement.*

SEC. 232. SAFEGUARDING NATIONAL SECURITY.

(a) No action shall be taken pursuant to section 201 (a) or pursuant to section 350 of the Tariff Act of 1930 to decrease or eliminate the duty or other import restriction on any article if the President determines that such reduction or elimination would threaten to impair the national security.

(b) Upon the request of the head of any department or agency, upon application of an interested party, or upon his own motion, the Director of the Office of Emergency Planning (hereinafter in this section referred to as the "Director") shall immediately make an appropriate investigation, in the course of which he shall seek information and advice from other appropriate departments and agencies, to determine the effects on the national security of imports of the article which is the subject of such request, application, or motion. If, as a result of such investigation, the

Director is of the opinion that the said article is being imported into the United States in such quantities or under such circumstances as to threaten to impair the national security, he shall promptly so advise the President, and, unless the President determines that the article is not being imported into the United States in such quantities or under such circumstances as to threaten to impair the national security as set forth in this section, he shall take such action, and for such time, as he deems necessary to adjust the imports of such article and its derivatives so that such imports will not so threaten to impair the national security.

(c) For the purposes of this section, the Director and the President shall, in the light of the requirements of national security and without excluding other relevant factors, give consideration to domestic production needed for projected national defense requirements, the capacity of domestic industries to meet such requirements, existing and anticipated availabilities of the human resources, products, raw materials, and other supplies and services essential to the national defense, the requirments of growth of such industries and such supplies and services including the investment, exploration, and development necessary to assure such growth, and the importation of goods in terms of their quantities, availabilities, character, and use as those affect such industries and the capacity of the United States to meet

national security requirements. In the administration of this section, the Director and the President shall further recognize the close relation of the economic welfare of the Nation to our national security, and shall take into consideration the impact of foreign competition on the economic welfare of individual domestic industries; and any substantial unemployment, decrease in revenues of government, loss of skills or investment, or other serious effects resulting from the displacement of any domestic products by excessive imports shall be considered, without excluding other factors, in determining whether such weakening of our internal economy may impair the national security.

(d) A report shall be made and published upon the disposition of each request, application, or motion under subsection (b). The Director shall publish procedural regulations to give effect to the authority conferred on him by subsection (b).

CHAPTER 5—ADMINISTRATIVE PROVISIONS

SEC. 241. SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS.

(a) The President shall appoint, by and with the advice and consent of the Senate, a Special Representative for Trade Negotiations, who shall be the chief representative of the United States for each ~~(22)~~*general multilateral* negotiation

under this title and for such other negotiations as in the President's judgment require that the Special Representative be the chief representative of the United (23)~~States.~~ *states, and who shall be the chairman of the organization established pursuant to section 242(a).* The Special Representative for Trade Negotiations shall hold office at the pleasure of the President, shall be entitled to receive the same compensation and allowances as a chief of mission, (24)*and* shall have the rank of ambassador extraordinary and (25)~~plenipotentiary, and shall be and ex-officio member of the organization established pursuant to section 242(a).~~ *plenipotentiary.*

(b) The Special Representative for Trade Negotiations shall, in the performance of his functions under subsection (a), seek information and advice with respect to each negotiation from representatives of industry, agriculture, and labor, and from such agencies (26)~~of the United States~~ as he deems appropriate.

SEC. 242. INTERAGENCY TRADE ORGANIZATION.

(a) The President shall establish an interagency organization to assist him in carrying out the functions vested in him by this title and (27)~~chapter 4 of title III~~ *sections 351 and 352.* Such organization shall (28)~~have as its chairman a Cabinet officer selected by the President, and shall~~, *in addition to the Special Representative for Trade Negotiations,* be composed of the heads of such departments and of such

other officers as the President shall designate. It shall meet (29)~~periodically~~ at such times and with respect to such matters as the President or the chairman of the organization shall direct. The organization may invite the participation in its activities of any agency not represented in the organization when matters of interest to such agency are under consideration.

(b) In assisting the President, the organization shall—

(1) make recommendations to the President on basic policy issues arising in the administration of the trade agreements program,

(2) make recommendations to the President as to what action, if any, he should take on reports with respect to tariff adjustment submitted to him by the Tariff Commission under section 301 (e),

(3) advise the President of the results of hearings concerning (30)~~unjustifiable~~ foreign import restrictions held pursuant to section (31)~~252(c)~~ *252(d)*, and recommend appropriate action with respect thereto, and

(4) perform such other functions with respect to the trade agreements program as the President may from time to time designate.

(c) The organization shall, to the maximum extent practicable, draw upon the resources of the agencies repre-

sented in the organization, as well as such other agencies as it may determine, including the Tariff Commission. In addition, the President may establish by regulation such procedures and committees as he may determine to be necessary to enable the organization to provide for the conduct of hearings pursuant to section (32)~~252(c)~~ *252(d)*, and for the carrying out of other functions assigned to the organization pursuant to this section.

SEC. 243. CONGRESSIONAL DELEGATES TO NEGOTIATIONS.

Before each negotiation under this title, the President shall, upon the recommendation of the Speaker of the House of Representatives, select two members (not of the same political party) of the Committe on Ways and Means, and shall, upon the recommendation of the President of the Senate, select two members (not of the same political party) of the Committee on Finance, who shall be accredited as members of the United States delegation to such negotiation.

CHAPTER 6—GENERAL PROVISIONS

SEC. 251. MOST-FAVORED-NATION PRINCIPLE.

Except as otherwise provided in this title, (33)*in section 350(b) of the Tariff Act of 1930, or in section 401(a) of the Tariff Classification Act of 1962*, any duty or other import restriction or duty-free treatment proclaimed in carrying out any trade agreement under this title or section 350

of the Tariff Act of 1930 shall apply to products of all foreign countries, whether imported directly or indirectly.

SEC. 252. FOREIGN IMPORT RESTRICTIONS.

(a) Whenever (34)~~unjustifiable~~ foreign import restrictions impair the value of tariff commitments made to the United States, (35) *unjustifiably* oppress the commerce of the United States, or prevent the expansion of trade on a mutually advantageous basis, the President shall—

(1) take all appropriate and feasible steps within his power to eliminate such restrictions, (36)~~and~~

(2) refrain from negotiating the reduction or elimination of any United States import restriction under section 201 (a) in order to obtain the reduction or elimination of such (37)~~restrictions.~~ *restrictions, and*

(38)*(3) notwithstanding any provision of any trade agreement under this Act, impose duties or other import restrictions on the products of any foreign country or instrumentality establishing or maintaining such foreign import restrictions against United States agricultural products, to the extent he deems such duties and other import restrictions necessary to prevent the establishment or obtain the removal of such foreign import restrictions and to provide access for United States agricultural products to the markets of such country or instrumentality on an equitable basis.*

(b) Whenever a foreign country or instrumentality the products of which receive benefits of trade agreement concessions made by the United States—

(1) maintains nontariff trade restrictions, including (39)~~unlimited~~ variable import fees, which substantially burden United States commerce in a manner inconsistent with provisions of trade agreements, or

(2) engages in discriminatory or other acts (including tolerance of international cartels) or policies unjustifiably restricting United States commerce,

the President shall, to the extent that such action is consistent with the purposes of section 102—

(A) suspend, withdraw, or prevent the application of benefits of trade (40)~~agreements~~ *agreement* concessions to products of such country or instrumentality, or

(B) refrain from proclaiming benefits of trade agreement concessions to carry out a trade agreement with such country or instrumentality.

(41)*(c) Whenever a foreign country or instrumentality, the products of which receive benefits of trade agreement concessions made by the United States, maintains unreasonable import restrictions which either directly or indirectly substantially burden United States commerce, the President may, to the extent that such action is consistent with the purposes of*

section 102, and having due regard for the international obligations of the United States—

(1) suspend, withdraw, or prevent the application of benefits of trade agreement concessions to products of such country or instrumentality, or

(2) refrain from proclaiming benefits of trade agreement concessions to carry out a trade agreement with such country or instrumentality.

(42)~~(c)~~ *(d)* The President shall provide an opportunity for the presentation of views concerning (43)~~unjustifiable~~ foreign import restrictions (44)*which are referred to in subsections (a), (b), and (c) and are* maintained against United States commerce. Upon request by any interested person, the President shall, through the organization established pursuant to section 242(a), provide for appropriate public hearings with respect to such restrictions after reasonable notice and provide for the issuance of regulations concerning the conduct of such hearings.

SEC. 253. STAGING REQUIREMENTS.

(a) Except as otherwise provided in this section and in section 254, the aggregate reduction in the rate of duty on any article which is in effect on any day pursuant to a trade agreement under this title shall not exceed the aggregate reduction which would have been in effect on such day if—

(1) one-fifth of the total reduction under such agreement for such article had taken effect on the date of the first proclamation pursuant to section 201 (a) to carry out such trade agreement, and

(2) the remaining four-fifths of such total reduction had taken effect in four equal installments at 1-year intervals after the date referred to in paragraph (1).

(b) Subsection (a) shall not apply to any article with respect to which the President has made a determination under section 213 (a).

(c) In the case of an article the rate of duty on which has been or is to be reduced pursuant to a prior trade agreement, no reduction shall take effect pursuant to a trade agreement entered into under section 201 (a) before the expiration of 1 year after the taking effect of the final reduction pursuant to such prior agreement.

(d) If any part of a reduction takes effect, then any time thereafter during which such part of the reduction is not in effect by reason of legislation of the United States or action thereunder shall be excluded in determining—

(1) the 1-year intervals referred to in subsection (a) (2), and

(2) the expiration of the 1 year referred to in subsection (c).

SEC. 254. ROUNDING AUTHORITY.

If the President determines that such action will simplify the computation of the amount of duty imposed with respect to an article, he may exceed the limitation provided by section 201(b)(1) or 253 by not more than whichever of the following is lesser:

(1) the difference between the limitation and the next lower whole number, or

(2) one-half of 1 percent ad valorem or an amount the ad valorem equivalent of which is one-half of 1 percent.

SEC. 255. TERMINATION.

(a) Every trade agreement entered into under this title shall be subject to termination or withdrawal, upon due notice, at the end of a period specified in the agreement. Such period shall be not more than 3 years from the date on which the agreement becomes effective. If the agreement is not terminated or withdrawn from at the end of the period so specified, it shall be subject to termination or withdrawal thereafter upon not more than 6 months' notice.

(b) The President may at any time terminate, in whole or in part, any proclamation made under this title.

SEC. 256. DEFINITIONS.

For purposes of this title—

~~(45)~~ ~~(1) The term "European Economic Community" means the instrumentality known by such name or any successor thereto.~~

~~(2) The countries of the European Economic Community as of any date shall be those countries which on such date are agreed to achieve a common external tariff through the European Economic Community.~~

~~(3) The term "agreement with the European Economic Community" means an agreement to which the United States and all countries of the European Economic Community (determined as of the date such agreement is entered into) are parties. For purposes of the preceding sentence, each country for which the European Economic Community signs an agreement shall be treated as a party to such agreement.~~

(1) The term "Free European Trading Community" means (A) the European Economic Community and (B) any country, designated by the President, which is a member of the European Free Trade Association.

(2) The term "European Economic Community" means the instrumentality known by such name or any successor thereto. The countries of the European Economic Community as of any date shall be those countries

which on such date are agreed to achieve a common external tariff through the European Economic Community.

(3) The term "European Free Trade Association" means the organization known by such name or any successor thereto. The countries of the European Free Trade Association as of any date shall be those countries which are full members of the Association on such date.

(4) The term "agreement with the Free European Trading Community" means an agreement to which the United States and all countries of the Free European Trading Community (determined as of the date such agreement is entered into) are parties. Each such country for which the European Economic Community signs an agreement shall, for the purposes of this paragraph, be treated as a party to such agreement.

(46) ~~(4)~~ *(5)* the term "existing on July 1, 1962", as applied to a rate of duty, refers to the lowest nonpreferential rate of duty (however established, and even though temporarily suspended by Act of Congress or otherwise) existing on such date or (if lower) the lowest nonpreferential rate to which the United States is committed on such date and which may be proclaimed under section 350 of the Tariff Act of 1930.

(47) ~~(5)~~ *(6)* The term "existing on July 1, 1934", as

applied to a rate of duty, refers to the rate of duty (however established, and even though temporarily suspended by Act of Congress or otherwise) existing on such date.

(48) ~~(6)~~ *(7)* The term "existing without the specification of any date, when used with respect to any matter relating to entering into, or any proclamation to carry out, a trade agreement, means existing on the day on which such trade agreement is entered (49) ~~into.~~ *into, and when referring to a rate of duty, refers to the rate of duty (however established, and even though temporarily suspended by Act of Congress or otherwise) existing on such date.*

(50) ~~(7)~~ *(8)* The term "ad valorem equivalent" means the ad valorem equivalent of a specific rate or, in the case of a combination of rates including a specific rate, the sum of the ad valorem equivalent of the specific rate and of the ad valorem rate. The ad valorem equivalent shall be determined by the President on the basis of the value of imports of the article concerned during a period determined by him to be representative. In determining the value of imports, the President shall utilize, to the maximum extent practicable, the standards of valuation contained in section 402 or 402a of the Tariff Act

of 1930 (19 U.S.C., sec. 1401a or 1402) applicable to the article concerned during such representative period.

SEC. 257. RELATION TO OTHER LAWS.

(a) The first sentence of subsection (b) of section 350 of the Tariff Act of 1930 is amended by striking out "this section" each place it appears and inserting in lieu thereof "this section or the Trade Expansion Act of 1962". The second sentence of such subsection (b) is amended by striking out "this Act" and inserting in lieu thereof "this Act or the Trade Expansion Act of 1962". The third sentence of such subsection (b) is amended by striking out "1955," in paragraph (2) and inserting in lieu thereof "1955, and before July 1, 1962," and by adding at the end thereof the following new paragraph:

"(3) In order to carry out a foreign trade agreement entered into after June 30, 1962, and before July 1, 1967, below the lowest rate permissible by applying title II of the Trade Expansion Act of 1962 to the rate of duty (however established, and even though temporarily suspended by Act of Congress or otherwise) existing on July 1, 1962, with respect to such product."

(b) Subsections (a) (5) and (e) of section 350 of the Tariff Act of 1930 are repealed.

(c) For purposes only of entering into trade agreements pursuant to the notices of intention to negotiate published in the Federal Register of May 28, 1960, and the Federal Register of November 23, 1960, the period during which the President is authorized to enter into foreign trade agreements under section 350 of the Tariff Act of 1930 is hereby extended from the close of June 30, 1962, until the close of December 31, 1962.

(d) The second and third sentences of section 2 (a) of the Act entitled "An Act to amend the Tariff Act of 1930", approved June 12, 1934, as amended (19 U.S.C., sec. 1352 (a)), are each amended by striking out "this Act" and inserting in lieu thereof "this Act or the Trade Expansion Act of 1962".

(e) (1) Sections 5, 6, 7, and 8 (a) of the Trade Agreements Extension Act of 1951 are repealed.

(2) Action taken by the President under section 5 of such Act and in effect on the date of the enactment of this Act shall be considered as having been taken by the President under section 231.

(3) Any investigation by the Tariff Commission under section 7 of such Act which is in progress on the date of the enactment of this Act shall be continued under section 301 as if the application by the interested party were a petition under such section for tariff adjustment under section

351. For purposes of section 301 (f), such petition shall be treated as having been filed on the date of the enactment of this Act.

(f) Section 2 of the Act entitled "An Act to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended", approved July 1, 1954, is repealed. Any action (including any investigation begun) under such section 2 before the date of the enactment of this Act shall be considered as having been taken or begun under section 232.

(51) *(g)(1) Section 102(1) of the Tariff Classification Act of 1962 is amended by striking out "of schedules 1 to 7, inclusive,".*

(2) Section 203 of the Tariff Classification Act of 1962 is amended to read as follows:

"SEC. 203. For purposes of applying section 350 of the Tariff Act of 1930, as amended, and the Trade Expansion Act of 1962 with respect to the Tariff Schedules of the United States—

"(1) The rate of duty in rate column numbered 2 for each item in schedules 1 to 7, inclusive, of the Tariff Schedules of the United States, shall be treated as the rate of duty existing on July 1, 1934.

"(2) The lowest preferential or nonpreferential rate of duty in rate column numbered 1 for each item

in schedules 1 to 7, inclusive, of the Tariff Schedules of the United States on the effective date provided for in section 501(a) of this Act shall be treated as the preferential or nonpreferential rate of duty, respectively, existing on July 1, 1962; except that with respect to any article the rate for which in schedules 1 to 7 has been changed by Presidential proclamation after June 30, 1962, the rate to be regarded as existing on July 1, 1962, shall be the rate which the Commission specifically declares, in a supplemental report made pursuant to section 101(c) of this Act, to be the rate which, in its judgment, conforms to the fullest extent practicable to the rate regarded as existing on July 1, 1962, under section 256(5) of the Trade Expansion Act of 1962.

"(3) Legislation entering into force after the effective date provided for in section 501(a) of this Act which results in the permanent reclassification of any article without specifying the rate of duty applicable thereto, and proclamations under section 202(c) of this Act, shall be considered as having been in effect since June 30, 1962."

(52)*(h) Nothing contained in this Act shall be construed to affect in any way the provisions of section 22 of the Agri-*

cultural Adjustment Act, or to apply to any import restriction heretofore or hereafter imposed under such section.

(53) *(i) Part I of title III of the Tariff Act of 1930 is amended by adding at the end thereof the following new section:*

"SEC. 323. CONSERVATION OF FISHERY RESOURCES.

"Upon the convocation of a conference on the use or conservation of international fishery resources, the President shall, by all appropriate means at his disposal, seek to persuade countries whose domestic fishing practices or policies affect such resources, to engage in negotiations in good faith relating to the use or conservation of such resources. If, after such efforts by the President and by other countries which have agreed to engage in such negotiations, any other country whose conservation practices or policies affect the interests of the United States and such other countries, has, in the judgment of the President, failed or refused to engage in such negotiations in good faith, the President may, if he is satisfied that such action is likely to be effective in inducing such country to engage in such negotiations in good faith, increase the rate of duty on any fish in any form imported from such country into the United States, for such time as he

deems necessary, to a rate not more than 50 percent above the rate existing on July 1, 1934."

(54) *SEC. 258. REFERENCES.*

All provisions of law (other than this Act and the Trade Agreements Extension Act of 1951) in effect after June 30, 1962, referring to section 350 of the Tariff Act of 1930, to that section as amended, to the Act entitled "An Act to amend the Tariff Act of 1930", approved June 12, 1934, to that Act as amended, or to agreements entered into, or proclamations issued, under any of such provisions, shall be construed, unless clearly precluded by the context, to refer also to this Act, or to agreements entered into or proclamations issued, pursuant to this Act.

TITLE III—TARIFF ADJUSTMENT AND OTHER ADJUSTMENT ASSISTANCE

CHAPTER 1—ELIGIBILITY FOR ASSISTANCE

SEC. 301. TARIFF COMMISSION INVESTIGATIONS AND REPORTS.

(55) ~~(a) (1) Petitions for tariff adjustment under section 351 or for determinations of eligibility to apply for adjustment assistance under chapter 2 or 3 may be filed with the Tariff Commission by firms, groups of workers, or industries. In the case of a firm, such petition may be filed by the firm or its representative. In the case of a group of workers, such~~

~~petition may be filed by the workers or by their certified or recognized union or other duly authorized representative. In the case of an industry, such petition may be filed by a trade association, firm, certified or recognized union, or other representative.~~

(a) (1) A petition for tariff adjustment under section 351 or for the negotiation of an agreement under section 352 may be filed with the Tariff Commission by a trade association, firm, certified or recognized union, or other representative of an industry.

(2) A petition for a determination of eligibility to apply for adjustment assistance under chapter 2 may be filed with the Tariff Commission by a firm or its representative, and a petition for a determination of eligibility to apply for adjustment assistance under chapter 3 may be filed with the Tariff Commission by a group of workers or by their certified or recognized union or other duly authorized representative.

(56) ~~(2)~~ *(3)* Whenever a petition is filed under this subsection, the Tariff Commission shall transmit a copy thereof to the Secretary of Commerce.

(b) (1) Upon the request of the President, upon resolution of either the Committee on Finance of the Senate or the Committee on Ways and Means of the House of Representatives, upon its own motion, or upon the filing of a petition under subsection (a) (1), the Tariff Commission shall

promptly make an investigation to determine whether, as a result (57)*in major part* of concessions granted under trade agreements, an article is being imported into the United States in such increased quantities as to cause, or threaten to cause, serious injury to the domestic industry producing an article which is like or directly competitive with the imported article.

(2) In making its determination under paragraph (1), the Tariff Commission shall take into account all economic factors which it considers relevant, including idling of productive facilities, inability to operate at a (58)*level of reasonable* profit, and unemployment or underemployment.

(59)*(3) For purposes of paragraph (1), increased imports shall be considered to cause, or threaten to cause, serious injury to the domestic industry concerned when the Tariff Commission finds that such increased imports have been the major factor in causing, or threatening to cause, such injury.*

(60)~~(3)~~ *(4)* No investigation for the purpose of paragraph (1) shall be made, upon petition filed under subsection (a) (1), with respect to the same subject matter as a previous investigation under paragraph (1), unless one year has elapsed since the Tariff Commission made its report to the President of the results of such previous investigation.

(c) (1) In the case of a petition by a firm for a determination of eligibility to apply for adjustment assistance

under chapter 2, the Tariff Commission (61)~~shall, in addition to making an industry determination under subsection (b),~~ *shall promptly make an investigation to* determine whether, as a result (62)*in major part* of concessions granted under trade agreements, an article like or directly competitive with an article produced by the firm is being imported into the United States in such increased quantities as to cause, or threaten to cause, serious injury to such firm. In making its determination under this paragraph, the Tariff Commission shall take into account all economic factors which it considers relevant, including idling of productive facilities of the firm, inability of the firm to operate at a (63)*level of reasonable* profit, and unemployment or underemployment in the firm.

(2) In the case of a petition by a group ot workers for a determination of eligibility to apply for adjustment assistance under chapter 3, the Tariff Commission (64)~~shall, in addition to making an industry determination under subsection (b),~~ *shall promptly make an investigation to* determine whether, as a result (65)*in major part* of concessions granted under trade agreements, an article like or directly competitive with an article produced by such workers' firm, or an appropriate subdivision thereof, is being imported into the United States in such increased quantities as to cause, or threaten to cause, unemployment or underemployment of a

significant number or proportion of the workers of such firm or subdivision.

(66)*(3) For purposes of paragraphs (1) and (2), increased imports shall be considered to cause, or threaten to cause, serious injury to a firm or unemployment or underemployment, as the case may be, when the Tariff Commission finds that such increased imports have been the major factor in causing, or threatening to cause, such injury or unemployment or underemployment.*

(67)~~(3) The Tariff Commission may provide that, during a period beginning not earlier than 30 days after the publication of notice of hearings with respect to an industry and ending not later than the date of the report of the Tariff Commission with respect thereto under subsection (f)(2), no petition may be filed under subsection (a)(1) by a firm or group of workers in such industry with respect to the same imported article and the same domestic article.~~

(d) (68)*(1)* In the course of any investigation under (69)~~this section~~ *subsection (b)(1)*, the Tariff Commission shall, after reasonable notice, hold public hearings and shall afford interested parties opportunity to be present, to produce evidence, and to be heard at such hearings.

(70)*(2) In the course of any investigation under subsection (c)(1) or (c)(2), the Tariff Commission shall, after reasonable notice, hold public hearings if requested by the petitioner,*

or if, within 10 days after notice of the filing of the petition, a hearing is requested by any other party showing a proper interest in the subject matter of the investigation, and shall afford such parties an opportunity to be present, to produce evidence, and to be heard at such hearings.

(e) Should the Tariff Commission find with respect to any article, as the result of its investigation, the serious injury or threat thereof described in subsection (b), it shall find the amount of the increase in, or imposition of, any duty or other import restriction on such article which is necessary to prevent or remedy such injury and shall include such finding in its report to the President.

(f) (1) The Tariff Commission shall report to the President the results of each investigation under this section and include in each report any dissenting or separate views. The Tariff Commission shall furnish to the President a transcript of the hearings and any briefs which may have been submitted in connection with each investigation.

(2) The report of the Tariff Commission of its determination under subsection (b) shall be made at the earliest practicable time, but not later than **(**71**)**~~120 days~~ *6 months* after the date on which the petition is filed (or the date on which the request or resolution is received or the motion is adopted, as the case may be) **(**72**)**~~, unless the President extends such time for an additional period, which shall not~~

~~exceed 30 days.~~ Upon making such report to the President, the Tariff Commission shall promptly make public such report, and shall cause a summary thereof to be published in the Federal Register.

(3) The report of the Tariff Commission of its determination under subsection (c) (1) or (c) (2) with respect to any firm or group of workers shall be made at the earliest practicable time, but not later than 60 days after the date on which the petition is filed.

(73)*(g) Except as provided in section 257(e)(3), no petition shall be filed under subsection (a), and no request, resolution, or motion shall be made under subsection (b), prior to the close of the 60th day after the date of the enactment of this Act.*

SEC. 302. PRESIDENTIAL ACTION AFTER TARIFF COMMISSION DETERMINATION.

(a) After receiving a report from the Tariff Commission containing an affirmative finding under section 301 (b) with respect to any industry, the President may—

(1) provide tariff adjustment for such industry pursuant to section 351 **(74)***or 352*,

(2) provide, with respect to such industry, that its firms may request the Secretary of Commerce for certi-

fications of eligibility to apply for adjustment assistance under chapter 2,

(3) provide, with respect to such industry, that its workers may request the Secretary of Labor for certifications of eligibility to apply for adjustment assistance under chapter 3, or

(4) take any combination of such actions.

(b) (1) The Secretary of Commerce shall certify, as eligible to apply for adjustment assistance under chapter 2, any firm in an industry with respect to which the President has acted under subsection (a) (2), upon a showing by such firm to the satisfaction of the Secretary of Commerce that the increased imports (which the Tariff Commission has determined to result from concessions granted under trade agreements) have caused serious injury or threat thereof to such firm.

(2) The Secretary of Labor shall certify, as eligible to apply for adjustment assistance under chapter 3, any group of workers in an industry with respect to which the President has acted under subsection (a) (3), upon a showing by such group of workers to the satisfaction of the Secretary of Labor that the increased imports (which the Tariff Com-

mission has determined to result from concessions granted under trade agreements) have caused or threatened to cause unemployment or underemployment of a significant number or proportion of workers of such workers' firm or subdivision thereof.

(c) After receiving a report from the Tariff Commission containing an affirmative finding under section 301 (c) with respect to any firm or group of workers, the President may certify that such firm or group of workers is eligible to apply for adjustment assistance.

(d) Any certification under subsection (b) or (c) that a group of workers is eligible to apply for adjustment assistance shall specify the date on which the unemployment or underemployment began or threatens to begin.

(e) Whenever the President determines, with respect to any certification of the eligibility of a group of workers, that separations from the firm or subdivision thereof are no longer attributable to the conditions specified in section 301 (c) (2) or in subsection (b) (2) of this section, he shall terminate the effect of such certification. Such termination shall apply only with respect to separations occurring after the termination date specified by the President.

CHAPTER 2—ASSISTANCE TO FIRMS

SEC. 311. CERTIFICATION OF ADJUSTMENT PROPOSALS.

(a) A firm certified under section 302 as eligible to apply for adjustment assistance may, at any time within 2 years after the date of such certification, file an application with the Secretary of Commerce for adjustment assistance under this chapter. Within a reasonable time after filing its application, the firm shall present a proposal for its economic adjustment.

(b) Adjustment assistance under this chapter consists of technical assistance, financial assistance, and tax assistance, which may be furnished singly or in combination. Except as provided in subsection (c), no adjustment assistance shall be provided to a firm under this chapter until its adjustment proposal shall have been certified by the Secretary of Commerce—

(1) to be reasonably calculated materially to contribute to the economic adjustment of the firm,

(2) to give adequate consideration to the interests of the workers of such firm adversely affected by actions taken in carrying out trade agreements, and

(3) to demonstrate that the firm will make all reasonable efforts to use its own resources for economic development.

(c) In order to assist a firm which has applied for adjustment assistance under this chapter in preparing a sound adjustment proposal, the Secretary of Commerce may furnish technical assistance to such firm prior to certification of its adjustment proposal.

(d) Any certification made pursuant to this section shall remain in force only for such period as the Secretary of Commerce may prescribe.

SEC. 312. USE OF EXISTING AGENCIES.

(a) The Secretary of Commerce shall refer each certified adjustment proposal to such agency or agencies as he determines to be appropriate to furnish the technical and financial assistance necessary to carry out such proposal.

(b) Upon receipt of a certified adjustment proposal, each agency concerned shall promptly—

(1) examine the aspects of the proposal relevant to its functions, and

(2) notify the Secretary of Commerce of its determination as to the technical and financial assistance it is prepared to furnish to carry out the proposal.

(c) Whenever and to the extent that any agency to which an adjustment proposal has been referred notifies the

Secretary of Commerce of its determination not to furnish technical or financial assistance, and if the Secretary of Commerce determines that such assistance is necessary to carry out the adjustment proposal, he may furnish adjustment assistance under sections 313 and 314 to the firm concerned.

(d) There are hereby authorized to be appropriated to the Secretary of Commerce such sums as may be necessary from time to time to carry out his functions under this chapter in connection with furnishing adjustment assistance to firms, which sums are authorized to be appropriated to remain available until expended.

SEC. 313. TECHNICAL ASSISTANCE.

(a) Upon compliance with section 312(c), the Secretary of Commerce may provide to a firm, on such terms and conditions as he determines to be appropriate, such technical assistance as in his judgment will materially contribute to the economic adjustment of the firm.

(b) To the maximum extent practicable, the Secretary of Commerce shall furnish technical assistance under this section and section 311(c) through existing agencies, and otherwise through private individuals, firms, or institutions.

(c) The Secretary of Commerce shall require a firm receiving technical assistance under this section or section 311(c) to share the cost thereof to the extent he determines to be appropriate.

SEC. 314. FINANCIAL ASSISTANCE.

(a) Upon compliance with section 312(c), the Secretary of Commerce may provide to a firm, on such terms and conditions as he determines to be appropriate, such financial assistance in the form of guarantees of loans, agreements for deferred participations in loans, or loans, as in his judgment will materially contribute to the economic adjustment of the firm. The assumption of an outstanding indebtedness of the firm, with or without recourse, shall be considered to be the making of a loan for purposes of this section.

(b) Guarantees, agreements for deferred participations, or loans shall be made under this section only for the purpose of making funds available to the firm—

(1) for acquisition, construction, installation, modernization, development, conversion, or expansion of land, plant, buildings, equipment, facilities, or machinery, or

(2) in cases determined by the Secretary of Commerce to be exceptional, to supply working capital.

(c) To the maximum extent practicable, the Secretary of Commerce shall furnish financial assistance under this section through agencies furnishing financial assistance under other law.

SEC. 315. CONDITIONS FOR FINANCIAL ASSISTANCE.

(a) No loan shall be guaranteed and no agreement for deferred participation in a loan shall be made by the Secretary of Commerce in an amount which exceeds 90 percent of that portion of the loan made for purposes specified in section 314(b).

(b) (1) Any loan made or deferred participation taken up by the Secretary of Commerce shall bear interest at a rate not less than the greater of—

(A) 4 percent per annum, or

(B) a rate determined by the Secretary of the Treasury for the year in which the loan is made or the agreement for such deferred participation is entered into.

(2) The Secretary of the Treasury shall determine annually the rate referred to in paragraph (1) (B), taking into consideration the current average market yields on outstanding interest-bearing marketable public debt obligations of the United States of maturities comparable to those of the loans outstanding under section 314.

(c) Guarantees or agreements for deferred participation shall be made by the Secretary of Commerce only with respect to loans bearing interest at a rate which he determines to be reasonable. In no event shall the guaranteed portion

of any loan, or the portion covered by an agreement for deferred participation, bear interest at a rate more than 1 percent per annum above the rate prescribed by subsection (b) (determined when the guarantee is made or the agreement is entered into), unless the Secretary of Commerce shall determine that special circumstances justify a higher rate, in which case such portion of the loan shall bear interest at a rate not more than 2 percent per annum above such prescribed rate.

(d) The Secretary of Commerce shall make no loan or guarantee having a maturity in excess of 25 years, including renewals and extensions, and shall make no agreement for deferred participation in a loan which has a maturity in excess of 25 years, including renewals and extensions. Such limitation on maturities shall not, however, apply to—

(1) securities or obligations received by the Secretary of Commerce as claimant in bankruptcy or equitable reorganization, or as creditor in other proceedings attendant upon insolvency of the obligor, or

(2) an extension or renewal for an additional period not exceeding 10 years, if the Secretary of Commerce determines that such extension or renewal is reasonably necessary for the orderly liquidation of the loan.

(e) No financial assistance shall be provided under sec-

tion 314 unless the Secretary of Commerce determines that such assistance is not otherwise available to the firm, from sources other than the United States, on reasonable terms, and that there is reasonable assurance of repayment by the borrower.

(f) The Secretary of Commerce shall maintain operating reserves with respect to anticipated claims under guarantees and under agreements for deferred participation made under section 314. Such reserves shall be considered to constitute obligations for purposes of section 1311 of the Supplemental Appropriation Act, 1955 (31 U.S.C., sec. 200).

SEC. 316. ADMINISTRATION OF FINANCIAL ASSISTANCE.

(a) In making and administering guarantees, agreements for deferred participation, and loans under section 314, the Secretary of Commerce may—

(1) require security for any such guarantee, agreement, or loan, and enforce, waive, or subordinate such security;

(2) assign or sell at public or private sale, or otherwise dispose of, upon such terms and conditions and for such consideration as he shall determine to be reasonable, any evidence of debt, contract, claim, personal property, or security assigned to or held by him in con-

nection with such guarantees, agreements, or loans, and collect, compromise, and obtain deficiency judgments with respect to all obligations assigned to or held by him in connection with such guarantees, agreements, or loans until such time as such obligations may be referred to the Attorney General for suit or collection;

(3) renovate, improve, modernize, complete, insure, rent, sell, or otherwise deal with, upon such terms and conditions and for such consideration as he shall determine to be reasonable, any real or personal property conveyed to or otherwise acquired by him in connection with such guarantees, agreements, or loans;

(4) acquire, hold, transfer, release, or convey any real or personal property or any interest therein whenever deemed necessary or appropriate, and execute all legal documents for such purposes; and

(5) exercise all such other powers and take all such other acts as may be necessary or incidental to the carrying out of functions pursuant to section 314.

(b) Any mortage acquired as security under subsection (a) shall be recorded under applicable State law.

SEC. 317. TAX ASSISTANCE.

(a) If—

(1) to carry out an adjustment proposal of a firm certified pursuant to section 311, such firm applies for

tax assistance under this section within 24 months after the close of a taxable year and alleges in such application that it has sustained a net operating loss for such taxable year,

(2) the Secretary of Commerce determines that any such alleged loss for such taxable year arose predominantly out of the carrying on of a trade or business which was seriously injured, during such year, by the increased imports which the Tariff Commission has determined to result from concessions granted under trade agreements, and

(3) the Secretary of Commerce determines that tax assistance under this section will materially contribute to the economic adjustment of the firm,

then the Secretary of Commerce shall certify such determinations with respect to such firm for such taxable year. No determination or certification under this subsection shall constitute a determination of the existence or amount of any net operating loss for purposes of section 172 of the Internal Revenue Code of 1954.

(b) Subsection (b) of section 172 of the Internal Revenue Code of 1954 (relating to net operating loss carrybacks and carryovers) is amended to read as follows:

"(b) NET OPERATING LOSS CARRYBACKS AND CARRYOVERS.—

"(1) YEARS TO WHICH LOSS MAY BE CARRIED.—A net operating loss for any taxable year ending after December 31, 1957, shall be—

"(A) except as provided in subparagraph (B), a net operating loss carryback to each of the 3 taxable years preceding the taxable year of such loss,

"(B) in the case of a taxpayer with respect to a taxable year ending on or after December 31, 1962, for which a certification has been issued under section 317 of the Trade Expansion Act of 1962, a net operating loss carryback to each of the 5 taxable years preceding the taxable year of such loss, and

"(C) a net operating loss carryover to each of the 5 taxable years following the taxable year of such loss.

"(2) AMOUNT OF CARRYBACKS AND CARRYOVERS.—Except as provided in subsection (i), the entire amount of the net operating loss for any taxable year (hereinafter in this section referred to as the 'loss year') shall be carried to the earliest of the taxable years to which (by reason of paragraph (1)) such loss may be carried. The portion of such loss which shall be carried to each of the other taxable years shall be the excess, if any, of the amount of such loss over the sum of the taxable income for each of the prior taxable years to

which such loss may be carried. For purposes of the preceding sentence, the taxable income for any such prior taxable year shall be computed—

"(A) with the modifications specified in subsection (d) other than paragraphs (1), (4), and (6) thereof; and

"(B) by determining the amount of the net operating loss deduction without regard to the net operating loss for the loss year or for any taxable year thereafter,

and the taxable income so computed shall not be considered to be less than zero.

"(3) SPECIAL RULES.—

"(A) Paragraph (1) (B) shall apply only if—

"(i) there has been filed, at such time and in such manner as may be prescribed by the Secretary or his delegate, a notice of filing of the application under section 317 of the Trade Expansion Act of 1962 for tax assistance, and, after its issuance, a copy of the certification under such section, and

"(ii) the taxpayer consents in writing to the assessment, within such period as may be agreed upon with the Secretary or his delegate,

of any deficiency for any year to the extent attributable to the disallowance of a deduction previously allowed with respect to such net operating loss, even though at the time of filing such consent the assessment of such deficiency would otherwise be prevented by the operation of any law or rule of law.

"(B) In the case of—

"(i) a partnership and its partners, or

"(ii) an electing small business corporation under subchapter S and its shareholders,

paragraph (1) (B) shall apply as determined under regulations prescribed by the Secretary or his delegate. Such paragraph shall apply to a net operating loss of a partner or such a shareholder only if it arose predominantly from losses in respect of which certifications under section 317 of the Trade Expansion Act of 1962 were filed under this section."

(c) Subsection (h) of section 6501 of the Internal Revenue Code of 1954 (relating to limitations on assessment and collection in the case of net operating loss carrybacks) is amended by inserting before the period: ", or within 18 months after the date on which the taxpayer files in accordance with section 172 (b) (3) a copy of the certification

(with respect to such taxable year) issued under section 317 of the Trade Expansion Act of 1962, whichever is later".

(d) Section 6511 (d) (2) (A) of the Internal Revenue Code of 1954 (relating to special period of limitation on credit or refund with respect to net operating loss carrybacks) is amended to read as follows:

"(A) PERIOD OF LIMITATION.—If the claim for credit or refund relates to an overpayment attributable to a net operating loss carryback, in lieu of the 3-year period of limitation prescribed in subsection (a), the period shall be that period which ends with the expiration of the 15th days of the 40th month (or the 39th month, in the case of a corporation) following the end of the taxable year of the net operating loss which results in such carryback or the period prescribed in subsection (c) in respect of such taxable year, whichever expires later; except that—

"(i) with respect to an overpayment attributable to a net operating loss carryback to any year on account of a certification issued to the taxpayer under section 317 of the Trade Expansion Act of 1962, the period shall not

expire before the expiration of the sixth month following the month in which such certification is issued to the taxpayer, and

"(ii) with respect to an overpayment attributable to the creation of, or an increase in, a net operating loss carryback as a result of the elimination of excessive profits by a renegotiation (as defined in section 1481 (a) (1) (A)), the period shall not expire before September 1, 1959, or the expiration of the twelfth month following the month in which the agreement or order for the elimination of such excessive profits becomes final, whichever is the later. In the case of such a claim, the amount of the credit or refund may exceed the portion of the tax paid within the period provided in subsection (b) (2) or (c), whichever is applicable, to the extent of the amount of the overpayment attributable to such carryback."

SEC. 318. PROTECTIVE PROVISIONS.

(a) Each recipient of adjustment assistance under section 313, 314, or 317 shall keep records which fully disclose the amount and disposition by such recipient of the proceeds, if any, of such adjustment assistance, and which will facili-

tate an effective audit. The recipient shall also keep such other records as the Secretary of Commerce may prescribe.

(b) The Secretary of Commerce and the Comptroller General of the United States shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipient pertaining to adjustment assistance under sections 313, 314, and 317.

(c) No adjustment assistance shall be extended under section 313, 314, or 317 to any firm unless the owners, partners, or officers certify to the Secretary of Commerce—

(1) the names of any attorneys, agents, and other persons engaged by or on behalf of the firm for the purpose of expediting applications for such adjustment assistance, and

(2) the fees paid or to be paid to any such person.

(d) No financial assistance shall be provided to any firm under section 314 unless the owners, partners, or officers shall execute an agreement binding them and the firm for a period of 2 years after such financial assistance is provided, to refrain from employing, tendering any office or employment to, or retaining for professional services any person who, on the date such assistance or any part thereof was provided, or within one year prior thereto, shall have served as an officer, attorney, agent, or employee occupying

a position or engaging in activities which the Secretary of Commerce shall have determined involve discretion with respect to the provision of such financial assistance.

SEC. 319. PENALTIES.

Whoever makes a false statement of a material fact knowing it to be false, or knowingly fails to disclose a material fact, or whoever willfully overvalues any security, for for the purpose of influencing in any way the action of the Secretary of Commerce under this chapter, or for the purpose of obtaining money, property, or anything of value under this chapter, shall be fined not more than $5,000 or imprisoned for not more than two years, or both.

SEC. 320. SUITS.

In providing technical and financial assistance under sections 313 and 314, the Secretary of Commerce may sue and be sued in any court of record of a State having general jurisdiction or in any United States district court, and jurisdiction is conferred upon such district court to determine such controversies without regard to the amount in controversy; but no attachment, injunction, garnishment, or other similar process, mesne or final, shall be issued against him or his property. Nothing in this section shall be construed to except the activities pursuant to sections 313 and 314 from

the application of sections 507 (b) and 2679 of title 28 of the United States Code, and of section 367 of the Revised Statutes (5 U.S.C., sec. 316).

CHAPTER 3—ASSISTANCE TO WORKERS

SEC. 321. AUTHORITY.

The Secretary of Labor shall determine whether applicants are entitled to receive assistance under this chapter and shall pay or provide such assistance to applicants who are so entitled.

Subchapter A—Trade Readjustment Allowances

SEC. 322. QUALIFYING REQUIREMENTS.

(a) Payment of a trade readjustment allowance shall be made to an adversely affected worker who applies for such allowance for any week of unemployment which begins after the 30th day after the date of the enactment of this Act and after the date determined under section 302(d), subject to the requirements of subsections (b) and (c).

(b) Total or partial separation shall have occurred—

(1) after the date of the enactment of this Act, and after the date determined under section 302(d), and

(2) before the expiration of the 2-year period beginning on the day on which the most recent deter-

mination under section 302(d) was made, and before the termination date (if any) specified under section 302(e).

(c) Such worker shall have had—

(1) in the 156 weeks immediately preceding such total or partial separation, at least 78 weeks of employment at wages of $15 or more a week, and

(2) in the 52 weeks immediately preceding such total or partial separation, at least 26 weeks of employment at wages of $15 or more a week in a firm or firms with respect to which a determination of unemployment or underemployment under section 302 has been made, or

if data with respect to weeks of employment are not available, equivalent amounts of employment computed under regulations prescribed by the Secretary of Labor.

SEC. 323. WEEKLY AMOUNTS.

(a) Subject to the other provisions of this section, the trade readjustment allowance payable to an adversely affected worker for a week of unemployment shall be an amount equal to 65 percent of his average weekly wage or to 65 percent of the average weekly manufacturing wage, whichever is less, reduced by 50 percent of the amount of his remuneration for services performed during such week.

(b) Any adversely affected worker who is entitled to

trade readjustment allowances and who is undergoing training approved by the Secretary of Labor, including on-the-job training, shall receive for each week in which he is undergoing any such training, a trade readjustment allowance in an amount (computed for such week) equal to the amount computed under subsection (a) or (if greater) the amount of any weekly allowance for such training to which he would be entitled under any other Federal law for the training of workers, if he applied for such allowance. Such trade readjustment allowance shall be paid in lieu of any training allowance to which the worker would be entitled under such other Federal law.

(c) (75)~~(1) The amount payable to an adversely affected worker under subsection (a) for any week shall be reduced by any amount of unemployment insurance to which he is entitled with respect to such week (or would be entitled but for this chapter or any action taken by such worker under this chapter), whether or not he has filed a claim for such insurance.~~

~~(2) The amount payable to an adversely affected worker under subsection (b)~~ *The amount of trade readjustment allowance payable to an adversely affected worker under subsection (a) or (b)* for any week shall be reduced by any amount of unemployment insurance which he has received or is seeking with respect to such week; but, if the appropriate

State or Federal agency finally determines that the worker was not entitled to unemployment insurance with respect to such week, the reduction shall not apply with respect to such week.

(d) If unemployment insurance, or a training allowance under the Manpower Development and Training Act of 1962 or the Area Redevelopment Act, is (76)~~payable~~ *paid* to an adversely affected worker for any week of unemployment with respect to which he would be entitled (determined without regard to subsection (c) or (e) or to any disqualification under section 327) to a trade readjustment allowance if he applied for such allowance, each such week shall be deducted from the total number of weeks of trade readjustment allowance otherwise payable to him under section 324 (a) when he applies for a trade readjustment allowance and is determined to be entitled to such allowance. If the unemployment insurance or the training allowance (77)~~payable~~ *paid* to such worker for any week of unemployment is less than the amount of the trade readjustment allowance to which he would be entitled if he applied for such allowance, he shall receive, when he applies for a trade readjustment allowance and is determined to be entitled to such allowance, a trade readjustment allowance for such week equal to such difference.

(e) Whenever, with respect to any week of unemployment, the total amount payable to an adversely affected worker as remuneration for services performed during such week, as unemployment insurance, as a training allowance referred to in subsection (d), and as a trade readjustment allowance would exceed 75 percent of his average weekly wage, his trade readjustment allowance for such week shall be reduced by the amount of such excess.

(f) The amount of any weekly payment to be made under this section which is not a whole dollar amount shall be rounded upward to the next higher whole dollar amount.

(78) ~~(g) If unemployment insurance is paid under a State law to an adversely affected worker for a week during which he is undergoing training approved by the Secretary of Labor, the State agency making such payment shall be reimbursed from funds appropriated pursuant to section 337, to the extent that such payment does not exceed the trade readjustment allowance which such worker would have received if he had applied for such allowance and had not received the State payment. The amount of such reimbursement shall be determined by the Secretary of Labor on the basis of reports furnished to him by the State agency and such amount shall then be placed in the Unemployment Trust Fund to the credit of the State's account.~~

(g)(1) If unemployment insurance is paid under a State law to an adversely affected worker for a week for which—

(A) he receives a trade readjustment allowance, or

(B) he makes application for a trade readjustment allowance and would be entitled (determined without regard to subsection (c) or (e)) to receive such allowance,

the State agency making such payment shall, unless it has been reimbursed for such payment under other Federal law, be reimbursed from funds appropriated pursuant to section 337, to the extent such payment does not exceed the amount of the trade readjustment allowance which such worker would have received, or would have been entitled to receive, as the case may be, if he had not received the State payment. The amount of such reimbursement shall be determined by the Secretary of Labor on the basis of reports furnished to him by the State agency.

(2) In any case in which a State agency is reimbursed under paragraph (1) for payments of unemployment insurance made to an adversely affected worker, such payments, and the period of unemployment of such worker for which such payments were made, may be disregarded under the State law (and for purposes of applying section 3303

of the Internal Revenue Code of 1954) in determining whether or not an employer is entitled to a reduced rate of contributions permitted by the State law.

SEC. 324. TIME LIMITATIONS ON TRADE READJUSTMENT ALLOWANCES.

(a) Payment of trade readjustment allowances shall not be made to an adversely affected worker for more than 52 weeks, except that, in accordance with regulations prescribed by the Secretary of Labor—

(1) such payments may be made for not more than 26 additional weeks to an adversely affected worker to assist him to complete training approved by the Secretary of Labor, or

(2) such payments shall be made for not more than 13 additional weeks to an adversely affected worker who had reached his 60th birthday on or before the date of total or partial separation.

(b) Except for a payment made for an additional week specified in subsection (a), a trade readjustment allowance shall not be paid for a week of unemployment beginning more than 2 years after the beginning of the appropriate week. A trade readjustment allowance shall not be paid for any additional week specified in subsection (a) if such week begins more than 3 years after the beginning of the

appropriate week. The appropriate week for a totally separated worker is the week of his most recent total separation. The appropriate week for a partially separated worker is the week in respect of which he first receives a trade readjustment allowance following his most recent partial separation.

SEC. 325. APPLICATION OF STATE LAWS.

Except where inconsistent with the provisions of this chapter and subject to such regulations as the Secretary of Labor may prescribe, the availability and disqualification provisions of the State law—

(1) under which an adversely affected worker is entitled to unemployment insurance (whether or not he has filed a claim for such insurance), or

(2) if he is not so entitled to unemployment insurance, of the State in which he was totally or partially separated,

shall apply to any such worker who files a claim for trade readjustment allowances. The State law so determined with respect to a separation of a worker shall remain applicable, for purposes of the preceding sentence, with respect to such separation until such worker becomes entitled to unemployment insurance under another State law (whether or not he has filed a claim for such insurance).

Subchapter B—Training

SEC. 326. IN GENERAL.

(a) To assure that the readjustment of adversely affected workers shall occur as quickly and effectively as possible, with minimum reliance upon trade readjustment allowances under this chapter, every effort shall be made to prepare each such worker for full employment in accordance with his capabilities and prospective employment opportunities. To this end, and subject to this chapter, adversely affected workers shall be afforded, where appropriate, the testing, counseling, training, and placement services provided for under any Federal law. Such workers may also be afforded supplemental assistance necessary to defray transportation and subsistence expenses for separate maintenance when such training is provided in facilities which are not within commuting distance of their regular place of residence. The Secretary of Labor in defraying such subsistence expenses shall not afford any individual an allowance exceeding $5 a day; nor shall the Secretary authorize any transportation expense exceeding the rate of 10 cents per mile.

(b) To the extent practicable, before adversely affected workers are referred to training, the Secretary of Labor shall consult with such workers' firm and their certified or recognized union or other duly authorized representative and de-

velop a worker retraining plan which provides for training such workers to meet the manpower needs of such firm, in order to preserve or restore the employment relationship between the workers and the firm.

SEC. 327. DISQUALIFICATION FOR REFUSAL OF TRAINING, ETC.

Any adversely affected worker who, without good cause, refuses to accept or continue, or fails to make satisfactory progress in, suitable training to which he has been referred by the Secretary of Labor shall not thereafter be entitled to trade readjustment allowances until he enters or resumes training to which he has been so referred.

Subchapter C—Relocation Allowances

SEC. 328. RELOCATION ALLOWANCES AFFORDED.

Any adversely affected worker who is the head of a family as defined in regulations prescribed by the Secretary of Labor and who has been totally separated may file an application for a relocation allowance, subject to the terms and conditions of this subchapter.

SEC. 329. QUALIFYING REQUIREMENTS.

(a) A relocation allowance may be granted only to assist an adversely affected worker in relocating within the United States and only if the Secretary of Labor determines that such worker cannot reasonably be expected to secure

suitable employment in the commuting area in which he resides and that such worker—

(1) has obtained suitable employment affording a reasonable expectation of long-term duration in the area in which he wishes to relocate, or

(2) has obtained a bona fide offer of such employment.

(b) A relocation allowance shall not be granted to such worker unless—

(1) for the week in which the application for such allowance is filed, he is entitled (determined without regard to section 323 (c) and (e)) to a trade readjustment allowance or would be so entitled (determined without regard to whether he filed application therefor) but for the fact that he has obtained the employment referred to in subsection (a) (1), and

(2) such relocation occurs within a reasonable period after the filing of such application or (in the case of a worker who has been referred to training by the Secretary of Labor) within a reasonable period after the conclusion of such training.

SEC. 330. RELOCATION ALLOWANCE DEFINED.

For purposes of this subchapter, the term "relocation allowance" means—

(1) the reasonable and necessary expenses, as specified in regulations prescribed by the Secretary of Labor, incurred in transporting a worker and his family and their household effects, and

(2) a lump sum equivalent to two and one-half times the average weekly manufacturing wage.

Subchapter D—General Provisions

SEC. 331. AGREEMENTS WITH STATES.

(a) The Secretary of Labor is authorized on behalf of the United States to enter into an agreement with any State, or with any State agency. Under such an agreement, the State agency (1) as agent of the United States, will receive applications for, and will provide, assistance on the basis provided in this chapter, (2) where appropriate, will afford adversely affected workers who apply for assistance under this chapter testing, counseling, referral to training, and placement services, and (3) will otherwise cooperate with the Secretary of Labor and with other State and Federal agencies in providing assistance under this chapter.

(b) Each agreement under this subchapter shall provide the terms and conditions upon which the agreement may be amended, suspended, or terminated.

(c) Each agreement under this subchapter shall provide that unemployment insurance otherwise payable to any

adversely affected worker will not be denied or reduced for any week by reason of any right to allowances under this chapter.

SEC. 332. PAYMENTS TO STATES.

(a) The Secretary of Labor shall from time to time certify to the Secretary of the Treasury for payment to each State which has entered into an agreement under section 331(79)*(1)* the sums necessary to enable such State as agent of the United States to make payments of allowances provided for by this chapter(80), *and (2) the sums reimbursable to a State pursuant to section 323(g).* The Secretary of the Treasury, prior to audit or settlement by the General Accounting Office, shall make payment to the State in accordance with such certification, from the funds for carrying out the purposes of this chapter. (81)*Sums reimbursable to a State pursuant to section 323(g) shall be credited to the account of such State in the Unemployment Trust Fund and shall be used only for the payment of cash benefits to individuals with respect to their unemployment, exclusive of expenses of administration.*

(b) All money paid a State under this section shall be used solely for the purposes for which it is paid; and any money so paid which is not used for such purposes shall be returned, at the time specified in the agreement under this

subchapter, to the Treasury and credited to current applicable appropriations, funds, or accounts from which payments to States under this section may be made.

(c) Any agreement under this subchapter may require any officer or employee of the State certifying payments or disbursing funds under the agreement, or otherwise participating in the performance of the agreement, to give a surety bond to the United States in such amount as the Secretary of Labor may deem necessary, and may provide for the payment of the cost of such bond from funds for carrying out the purposes of this chapter.

SEC. 333. LIABILITIES OF CERTIFYING AND DISBURSING OFFICERS.

(a) No person designated by the Secretary of Labor, or designated pursuant to an agreement under this subchapter, as a certifying officer, shall, in the absence of gross negligence or intent to defraud the United States, be liable with respect to the payment of any allowance certified by him under this chapter.

(b) No disbursing officer shall, in the absence of gross negligence or intent to defraud the United States, be liable with respect to any payment by him under this chapter if it was based upon a voucher signed by a certifying officer designated as provided in subsection (a).

SEC. 334. RECOVERY OF OVERPAYMENTS.

(a) If a State agency or the Secretary of Labor, or a court of competent jurisdiction finds that any person—

(1) has made, or has caused to be made by another, a false statement or representation of a material fact knowing it to be false, or has knowingly failed or caused another to fail to disclose a material fact; and

(2) as a result of such action has received any payment of allowances under this chapter to which he was not entitled,

such person shall be liable to repay such amount to the State agency or the Secretary of Labor, as the case may be, or either may recover such amount by deductions from any allowance payable to such person under this chapter. Any such finding by a State agency or the Secretary of Labor may be made only after an opportunity for a fair hearing.

(b) Any amount repaid to a State agency under this section shall be deposited into the fund from which payment was made. Any amount repaid to the Secretary of Labor under this section shall be returned to the Treasury and credited to the current applicable appropriation, fund, or account from which payment was made.

SEC. 335. PENALTIES.

Whoever makes a false statement of a material fact knowing it to be false, or knowingly fails to disclose a material fact, for the purpose of obtaining or increasing for himself or for any other person any payment or assistance authorized to be furnished under this chapter or pursuant to an agreement under section 331 shall be fined not more than $1,000 or imprisoned for not more than one year, or both.

SEC. 336. REVIEW.

Except as may be provided in regulations prescribed by the Secretary of Labor to carry out his functions under this chapter, determinations under this chapter as to the entitlement of individuals for adjustment assistance shall be final and conclusive for all purposes and not subject to review by any court or any other officer. To the maximum extent practicable and consistent with the purposes of this chapter, such regulations shall provide that such determinations by a State agency will be subject to review in the same manner and to the same extent as determinations under the State law.

SEC. 337. AUTHORIZATION OF APPROPRIATIONS.

There are hereby authorized to be appropriated to the Secretary of Labor such sums as may be necessary from time to time to carry out his functions under this chapter in con-

nection with furnishing adjustment assistance to workers, which sums are authorized to be appropriated to remain available until expended.

SEC. 338. DEFINITIONS.

For purposes of this chapter—

(1) The term "adversely affected employment" means employment in a firm or appropriate subdivision of a firm, if workers of such firm or subdivision are eligible to apply for adjustment assistance under this chapter.

(2) The term "adversely affected worker" means an individual who, because of lack of work in an adversely affected employment—

(A) has been totally or partially separated from such employment, or

(B) has been totally separated from employment with the firm in a subdivision of which such adversely affected employment exists.

(3) The term "average weekly manufacturing wage" means the national gross average weekly earnings of production workers in manufacturing industries for the latest calendar year (as officially published annually by the Bureau of Labor Statistics of the Depart-

ment of Labor) most recently published before the period for which the assistance under this chapter is furnished.

(4) The term "average weekly wage" means one-13th of the total wages paid to an individual in the high quarter. For purposes of this computation, the high quarter shall be that quarter in which the individual's total wages were highest among the first 4 of the last 5 completed calendar quarters immediately before the quarter in which occurs the week with respect to which the computation is made. Such week shall be the week in which total separation occurred, or, in cases where partial separation is claimed, an appropriate week, as defined in regulations prescribed by the Secretary of Labor.

(5) The term "average weekly hours" means the average hours worked by the individual (excluding overtime) in the employment from which he has been or claims to have been separated in the 52 weeks (excluding weeks during which the individual was sick or on vacation) preceding the week specified in the last sentence of paragraph (4).

(6) The term "partial separation" means, with respect to an individual who has not been totally separated, that he has had his hours of work reduced to

80 percent or less of his average weekly hours in adversely affected employment and his wages reduced to 75 percent or less of his average weekly wage in such adversely affected employment.

(7) The term "remuneration" means wages and net earnings derived from services performed as a self-employed individual.

(8) The term "State" includes the District of Columbia and the Commonwealth of Puerto Rico; and the term "United States" when used in the geographical sense includes such Commonwealth.

(9) The term "State agency" means the agency of the State which administers the State law.

(10) The term "State law" means the unemployment insurance law of the State approved by the Secretary of Labor under section 3304 of the Internal Revenue Code of 1954.

(11) The term "total separation" means the layoff or severance of an individual from employment with a firm in which, or in a subdivision of which, adversely affected employment exists.

(12) The term "unemployment insurance" means the unemployment insurance payable to an individual under any State law or Federal unemployment insurance law, including title XV of the Social Security Act, the

Railroad Unemployment Insurance Act, and the Temporary Extended Unemployment Compensation Act of 1961.

(13) The term "week" means a week as defined in the applicable State law.

(14) The term "week of unemployment" means with respect to an individual any week for which his remuneration for services performed during such week is less than 75 percent of his average weekly wage and in which, because of lack of work—

(A) if he has been totally separated, he worked less than the full-time week (excluding overtime) in his current occupation, or

(B) if he has been partially separated, he worked 80 percent or less of his average weekly hours.

CHAPTER 4—TARIFF ADJUSTMENT

SEC. 351. AUTHORITY.

(a) (1) After receiving an affirmative finding of the Tariff Commission under section 301 (b) with respect to an industry, the President may proclaim such increase in, or imposition of, any duty or other import restriction on the article causing or threatening to cause serious injury to such industry as he determines to be necessary to prevent or remedy serious injury to such industry.

(2) If the President does not, within 60 days after the date on which he receives such affirmative finding, proclaim the increase in, or imposition of, any duty or other import restriction on such article found and reported by the Tariff Commission pursuant to section 301(e)—

(A) he shall immediately submit a report to the House of Representatives and to the Senate stating why he has not proclaimed such increase or imposition, and

(B) such increase or imposition shall take effect (as provided in paragraph (3)) upon the adoption by both Houses of the Congress (within the 60-day period following the date on which the report referred to in subparagraph (A) is submitted to the House of Representatives and the Senate), by the yeas and nays by the affirmative vote of a majority of the authorized membership of each House, of a concurrent resolution stating in effect that the Senate and House of Representatives approve the increase in, or imposition of, any duty or other import restriction on the article found and reported by the Tariff Commission.

For purposes of subparagraph (B), in the computation of the 60-day period there shall be excluded the days on which either House is not in session because of adjournment of more than 3 days to a day certain or an adjournment of the Congress sine die. The report referred to in subparagraph (A)

shall be delivered to both Houses of the Congress on the same day and shall be delivered to the Clerk of the House of Representatives if the House of Representatives is not in session and to the Secretary of the Senate if the Senate is not in session.

(3) In any case in which the contingency set forth in paragraph (2) (B) occurs, the President shall (within 15 days after the adoption of such resolution) proclaim the increase in, or imposition of, any duty or other import restriction on the article which was found and reported by the Tariff Commission pursuant to section 301 (e).

(4) The President may, within 60 days after the date on which he receives an affirmative finding of the Tariff Commission under section 301 (b) with respect to an industry, request additional information from the Tariff Commission. The Tariff Commission shall, as soon as practicable but in no event more than 120 days after the date on which it receives the President's request, furnish additional information with respect to such industry in a supplemental report. For purposes of paragraph (2), the date on which the President receives such supplemental report shall be treated as the date on which the President received the affirmative finding of the Tariff Commission with respect to such industry.

(b) No proclamation pursuant to subsection (a) shall be made—

(1) increasing any rate of duty to a rate more than 50 percent above the rate existing on July 1, 1934, (82) *or, if the article is dutiable but no rate existed on that date, the rate existing at the time of the proclamation,* or

(2) in the case of an article not subject to duty, imposing a duty in excess of 50 percent ad valorem.

For purposes of paragraph (1), the term "existing on July 1, 1934" has the meaning assigned to such term by paragraph (83) ~~(5)~~ *(6)* of section 256.

(c) (1) Any increase in, or imposition of, any duty or other import restriction proclaimed pursuant to this section or section 7 of the Trade Agreements Extension Act of 1951—

(A) may be reduced or terminated by the President when he determines, after taking into account the advice received from the Tariff Commission under subsection (d) (2) and after seeking advice of the Secretary of Commerce and the Secretary of Labor, that such reduction or termination is in the national interest, and

(B) unless extended under paragraph (2), shall terminate not later than the close of the date which

is (84) ~~4 years~~ *5 years* after the effective date of the initial proclamation or the date of the enactment of this Act, whichever date is the later.

(2) Any increase in, or imposition of, any duty or other import restriction proclaimed pursuant to this section or pursuant to section 7 of the Trade Agreements Extension Act of 1951 may be extended in whole or in part by the President for such periods (not in excess of (85) ~~4 years~~ *5 years* at any one time) as he may designate if he determines, after taking into account the advice received from the Tariff Commission under subsection (d) (3) and after seeking advice of the Secretary of Commerce and the Secretary of Labor, that such extension is in the national interest.

(d) (1) So long as any increase in, or imposition of, any duty or other import restriction pursuant to this section or pursuant to section 7 of the Trade Agreements Extension Act of 1951 remains in effect the Tariff Commission shall keep under review developments with respect to the industry concerned, and shall make (86) ~~periodic~~ *annual* reports to the President concerning such developments.

(2) Upon request of the President (87) *or upon its own motion,* the Tariff Commission shall advise the President of its judgment as to the probable economic effect on the industry concerned of the reduction or termination of the increase in, or imposition of, any duty or other import restric-

tion pursuant to this section or section 7 of the Trade Agreements Extension Act of 1951.

(3) Upon petition on behalf of the industry concerned, filed with the Tariff Commission not earlier than the date which is 9 months, and not later than the date which is 6 months, before the date any increase or imposition referred to in paragraph (1) or (2) of subsection (c) is to terminate by reason of the expiration of the (88)~~4-year~~ *5-year* period prescribed in paragraph (1) or an extension thereof under paragraph (2), the Tariff Commission shall advise the President of its judgment as to the probable economic effect on such industry of such termination.

(4) In advising the President under this subsection as to the probable economic effect on the industry concerned, the Tariff Commission shall take into account all economic factors which it considers relevant, including idling of productive facilities, inability to operate at a (89)*level of reasonable* profit, and unemployment or underdevelopment.

(5) Advice by the Tariff Commission under this subsection shall be given on the basis of an investigation during the course of which the Tariff Commission shall hold a hearing at which interested persons shall be given a reasonable opportunity to be present, to produce evidence, and to be heard.

(e) The President, as soon as practicable, shall take

such action as he determines to be necessary to bring trade agreements entered into under section 350 of the Tariff Act of 1930 into conformity with the provisions of this section. No trade agreement shall be entered into under section 201 (a) unless such agreement permits action in conformity with the provisions of this section.

(90) *SEC. 352. ORDERLY MARKETING AGREEMENTS.*

(a) After receiving an affirmative finding of the Tariff Commission under section 301(b) with respect to an industry, the President may, in lieu of exercising the authority contained in section 351(a)(1) but subject to the provisions of sections 351(a) (2), (3), and (4), negotiate international agreements with foreign countries limiting the export from such countries and the import into the United States of the article causing or threatening to cause serious injury to such industry, whenever he determines that such action would be more appropriate to prevent or remedy serious injury to such industry than action under section 351(a)(1).

(b) In order to carry out an agreement concluded under subsection (a), the President is authorized to issue regulations governing the entry or withdrawal from warehouse of the article covered by such agreement. In addition, in order to carry out a multilateral agreement concluded under subsection (a) among countries accounting for a significant part of world trade in the article covered by such agreement, the

President is also authorized to issue regulations governing the entry or withdrawal from warehouse of the like article which is the product of countries not parties to such agreement.

(91) ***SEC. 353. ADDITIONAL AUTHORITY TO INCREASE TARIFFS AND IMPOSE QUOTAS.***

Notwithstanding any other provision of law, the President may, when he finds it in the national interest, proclaim with respect to any article imported into the United States—

(1) the increase of any existing duty on such article to such rate as he finds necessary,

(2) the imposition of a duty on such article (if it is not otherwise subject to duty) at such rate as he finds necessary, and

(3) the imposition of such other import restrictions as he finds necessary.

CHAPTER 5—ADVISORY BOARD

SEC. 361. ADJUSTMENT ASSISTANCE ADVISORY BOARD.

(a) There is hereby created the Adjustment Assistance Advisory Board, which shall consist of the Secretary of Commerce, as Chairman, and the Secretaries of the Treasury, Agriculture, Labor, Interior, and Health, Education, and Welfare, the Administrator of the Small Business Administration, and such other officers as the President deems appropriate. Each member of the Board may designate an officer of his agency to act for him as a member of the Board.

The Chairman may from time to time invite the participation of officers of other agencies of the executive branch.

(b) At the request of the President, the Board shall advise him and the agencies furnishing adjustment assistance pursuant to chapters 2 and 3 on the development of coordinated programs for such assistance, giving full consideration to ways of preserving and restoring the employment relationship of firms and workers where possible, consistent with sound economic adjustment.

(c) The Chairman may appoint for any industry an industry committee composed of members representing employers, workers, and the public, for the purpose of advising the Board. Members of any such committee shall, while attending meetings, be entitled to receive compensation and reimbursement as provided in section 401(3). The provisions of section 1003 of the National Defense Education Act of 1958 (20 U.S.C. (92)~~582~~ *583*) shall apply to members of such committee.

TITLE IV—GENERAL PROVISIONS

SEC. 401. AUTHORITIES.

The head of any agency performing functions under this Act may—

(1) authorize the head of any other agency to perform any of such functions;

(2) prescribe such rules and regulations as may be necessary to perform such functions; and

(3) to the extent necessary to perform such functions, procure the temporary (not in excess of one year) or intermittent services of experts or consultants or organizations thereof, including stenographic reporting services, by contract or appointment, and in such cases such services shall be without regard to the civil service and classification laws, and, except in the case of stenographic reporting services by organizations, without regard to section 3709 of the Revised Statutes (41 U.S.C. 5). Any individual so employed may be compensated at a rate not in excess of $75 per diem, and, while such individual is away from his home or regular place of business, he may be allowed transportation and not to exceed $16 per diem in lieu of subsistence and other expenses.

SEC. 402. REPORTS.

(a) The President shall submit to the Congress an annual report on the trade agreements program and on tariff adjustment and other adjustment assistance under this Act. Such report shall include information regarding new negotiations, changes made in duties and other import restrictions of the United States, reciprocal concessions obtained,

changes in trade agreements in order to effectuate more fully the purposes of the trade agreements program (including the incorporation therein of escape clauses), the results of action taken to obtain removal of foreign trade restrictions (including discriminatory restrictions) against United States exports, remaining restrictions, and the measures available to seek their removal in accordance with the purposes of this Act, and other information relating to the trade agreements program and to the agreements entered into thereunder.

(b) The Tariff Commission shall submit to the Congress at least once a year, a factual report on the operation of the trade agreements program.

SEC. 403. TARIFF COMMISSION.

(a) In order to expedite the performance of its functions under this Act, the Tariff Commission may conduct preliminary investigations, determine the scope and manner of its proceedings, and consolidate proceedings before it.

(b) In performing its functions under this Act, the Tariff Commission may exercise any authority granted to it under any other Act.

(c) The Tariff Commission shall at all times keep informed concerning the operation and effect of provisions relating to duties or other import restrictions of the United States contained in trade agreements entered into under the trade agreements program.

SEC. 404. SEPARABILITY.

If any provision of this Act or the application of any provision to any circumstances or persons shall be held invalid, the validity of the remainder of this Act, and of the application of such provision to other circumstances or persons, shall not be affected thereby.

SEC. 405. DEFINITIONS.

For purposes of this Act—

(1) The term "agency" includes any agency, department, board, wholly or partly owned corporation, instrumentality, commission, or establishment of the United States.

(2) The term "duty or other import restriction" includes (A) the rate and form of an import duty, and (B) a limitation, prohibition, charge, and exaction other than duty, imposed on importation or imposed for the regulation of imports.

(3) The term "firm" includes an individual proprietorship, partnership, joint venture, association, corporation (including a development corporation), business trust, cooperative, trustees in bankruptcy, and receivers under decree of any court. A firm, together with any predecessor, successor, or affiliated firm controlled or substantially beneficially owned by substantially the

same persons, may be considered a single firm where necessary to prevent unjustifiable benefits.

(4) An imported article is "directly competitive with" a domestic article at an earlier or later stage of processing, and a domestic article is "directly competitive with" an imported article at an earlier or later stage of processing, if the importation of the imported article has an economic effect on producers of the domestic article comparable to the effect of importation of articles in the same stage of processing as the domestic article. For purposes of this paragraph, the unprocessed article is at an earlier stage of processing.

(5) A product of a country (93)*or area* is an article which is the growth, produce, or manufacture of such country (94)*or area.*

(6) The term "modification", as applied to any duty or other import restriction, includes the elimination of any duty.

Passed the House of Representatives June 28, 1962.

Attest: RALPH R. ROBERTS,

Clerk.

Passed the Senate with amendments September 19, 1962.

Attest: FELTON M. JOHNSTON,

Secretary.

87TH CONGRESS
2D SESSION

H. R. 11970

AN ACT

To promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 19, 1962

Ordered to be printed with the amendments of the Senate numbered

United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 87th CONGRESS, SECOND SESSION

Vol. 108 WASHINGTON, WEDNESDAY, SEPTEMBER 19, 1962 No. 169

Senate

The Senate met at 12 o'clock meridian, and was called to order by the President pro tempore.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Almighty God, our Father, with a new dawn, in a world drenched with beauty, we have awakened again by Thy mercy to toil, to gratitude, and to friendship. Grant us now, in the heat and burden of these days of deliberation and decision, a sustaining realization that our labor is not in vain in the Lord. So teach us to number these days, so crucial in the life of our own Nation and the whole world, that in national and global affairs we may apply our hearts unto wisdom.

May our personal lives, freed of pettiness and prejudice, and radiant with the good will which leaps all barriers, be open channels through which Thy saving grace may flow for the healing of the nations. Thus may this land of our hope and prayer fulfill the potent ministry to all the world to which in Thy providence we believe Thou hast called us.

We ask it in the name of the Prince of Peace. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, September 18, 1962, was dispensed with.

TRADE EXPANSION ACT OF 1962

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the morning hour be postponed briefly, and that the Senate resume the consideration of the Trade Expansion Act of 1962, House bill 11970.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the Senate resumed the consideration of the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes.

Mr. MANSFIELD. Mr. President, what is the pending business?

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Delaware [Mr. WILLIAMS] to the amendment of the Senator from Oklahoma [Mr. KERR] on page 21, in line 10.

Mr. WILLIAMS of Delaware. Mr. President, I withdraw my amendment to the amendment of the Senator from Oklahoma.

The PRESIDENT pro tempore. The amendment to the amendment is withdrawn.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the amendment of the Senator from Oklahoma [Mr. KERR] may be withdrawn.

The PRESIDENT pro tempore. Without objection, the amendment of the Senator from Oklahoma is withdrawn.

Mr. MANSFIELD. Mr. President, I submit, and send to the desk, an amendment, for which I request immediate consideration.

The PRESIDENT pro tempore. The amendment of the Senator from Montana will be stated.

The LEGISLATIVE CLERK. On page 21, in line 10, it is proposed to strike out "notwithstanding any other provision of law or any provision of any trade agreement," and to insert the following: "notwithstanding any provision of any trade agreement under this Act,".

Mr. WILLIAMS of Delaware. Mr. President, this amendment is perfectly acceptable to me. As I stated last night, it was the clear intent of the committee at the time when it adopted the committee amendment that in no way would it invalidate any past agreements and that the amendment was to apply only to trade agreements negotiated under this act. I was advised that no agreements had been entered into heretofore which would conflict with this provision.

So I enthusiastically support the amendment of the Senator from Montana as clearly carrying out the intention of the committee and my intention at the time I offered the amendment.

Mr. DIRKSEN. Mr. President, I hope the difference of opinion which developed in regard to this part of the bill can be amicably settled, and I am sure it will be.

Mr. WILLIAMS of Delaware. Yes.

Mr. DIRKSEN. I am glad the distinguished Senator from Delaware is willing to accept the amendment proposed by the distinguished majority leader.

Mr. MANSFIELD. Mr. President, the amendment also meets with the approval of the distinguished Senator from Oklahoma [Mr. KERR.]

Mr. DIRKSEN. Yes.

Mr. WILLIAMS of Delaware. Mr. President, this amendment is similar to what I proposed last night and has the same effect.

I am in wholehearted agreement with the amendment of the Senator from Montana. It is in line with the intent.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Montana.

The amendment was agreed to.

Mr. WILLIAMS of Delaware. Mr. President, I am delighted that the Senate has given its approval to this amendment which is so important to the American agriculture. In particular this amendment is very important to the poultry industry.

The Common Market countries on July 30 through unilateral action established new and drastic trade barriers against poultry and other important agricultural products.

These barriers were highly protectionist and have for their purpose and effect the destruction of the U.S. competitive position. In other words, American poultry production, processing, and marketing have reached a point where it is able to produce and ship the product across the seas and compete with poultry produced locally in the Common Market countries. Because we are competitive the Common Market is seeking to establish a system whereby our competitive position can always be offset so that its members may preempt as much of that market as they choose. This policy is the reverse of trade expansion. It is trade strangulation.

If such measures are to be employed against our poultry and other agricultural commodities on which we are competitive—why should not such measures be employed against their industrial goods shipped to this country on which they are competitive and have the ad-

vantage because of their lower labor and other costs of production. At least we must be in a position to bargain. Trade must be a two-way street. If the Common Market countries are to have access to our market for their goods on which they can outcompete us then we in turn must have equivalent access to their markets.

These nontariff barriers which are being established against our poultry products take the form of gate prices and equalization fees. A gate price is an arbitrary price which is established below which our poultry may not come in. For example, if our price is 30 cents per pound and the gate price is 33.4 cents, the difference must be paid as a fee to the Common Market. To this is added an equalization fee of 9.6 cents per pound which purports to represent the difference between the world price of grain and the artificial grain price which is established within the Common Market. A feed conversion ration is also used which further offsets some of our efficiency. The net result is that the additional levies in the form of gate price fees and equalization fees will double and in some instances treble the existing duty barriers.

These new trade barriers are not necessary. Imports of U.S. poultry have not hurt their markets or their producers. On the contrary, they have been beneficial. The U.S. poultry industry's International Trade Development Committee has promoted the increased consumption of poultry. In the short time this promotion program has operated poultry consumption has almost trebled. Their producers as well as U.S. producers have benefited from this enlarged consumption. Consumers in these countries have responded to high quality products at reasonable prices with increased purchases. It is inconceivable, therefore, that these protectionist barriers would be proposed. It is even more inconceivable that our Government has not struck openly and hard at these barriers as being wholly inconsistent and incompatible with the whole idea of expanding multilateral trade on the basis of comparative advantage.

We are convinced that a firm policy position must be taken by our Government against these nontariff trade barriers. At the very least this should involve the authority to react to such measures and to use similar measures against the goods of such countries to the extent that such action is necessary to bring about a return of fair trading principles for our poultry and other agricultural products.

In the past 5 or 6 years we have developed a multi-million dollar poultry export market. This trade is vital to the poultry industry, which is the third largest producer of cash farm income in the Nation. This trade is likewise vital in helping our Nation meet its balance-of-payments problems. It is also beneficial to the economy of foreign countries in that it provides needed animal protein at reasonable costs.

The VICE PRESIDENT. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

Mr. MANSFIELD. Mr. President, certain Members of the Senate wish to speak on the bill following the third reading.

With the consent of the distinguished Senator from West Virginia [Mr. RANDOLPH], who now is on his feet, I shall yield to the Senator from Wisconsin [Mr. PROXMIRE], because he waited so that I might submit the amendment which was agreed to a moment ago.

Mr. RANDOLPH. Certainly.

Mr. PROXMIRE. I thank the Senator. I have some morning hour business to submit for perhaps 4 or 5 minutes.

(Mr. PROXMIRE addressed the Senate. His remarks appear elsewhere, under appropriate headings.)

Mr. MILLER. Mr. President, I propose to vote for this bill as it is now amended. I am certain that I speak for many of my colleages when I say that I vote with some misgivings. No one knows how this is going to work out. All of us hope for success. It places in the hands of the executive branch an unusual amount of discretion. It is claimed that this discretion will be exercised in the national interest. However, I would feel more secure if the guidelines of what is meant by the national interest were more definitely specified by the Congress, for it is in the Congress and not in the executive branch, that the determination of what is or is not in the national interest primarily reposes.

Let me sound a warning, Mr. President, that this bill, coupled with the kind of sound administration which we expect from it, will not solve our serious problem of declining gold reserves and imbalance of payments. It is going to have to be accompanied by sound fiscal policies, including a balanced Federal budget, to insure preservation of the purchasing power of our money, economy in Federal spending, and improved Federal tax laws which will provide an incentive to capital formation and investment.

It is reassuring to see that the bill contains several provisions calculated to protect our agricultural industry. This is as it should be. The President of the United States gave, as one of the reasons for asking for this legislation, the preservation and growth of our agricultural exports. The Common Market then adopted a most unfortunate policy of self-sufficiency in agriculture. Our trade negotiators must therefore drive a hard bargain if the President's policy regarding agricultural exports is to be met. These provisions in the bill are designed to make sure that they do so.

Personally, I believe that too much emphasis has been given to this legislation on the plus side. There is a minus side, and we should not try to play it down at all. Estimates with respect to the impact on employment and unemployment have been made, and I suggest that these have been calculated on the optimistic side. In this connection, I ask unanimous consent to have included in the RECORD at this point a letter from the Deputy Assistant Secretary of Commerce for Trade Policy, written in response to my request for information regarding forecasts with respect to future levels in U.S. trade and related employment. These forecasts were not forthcoming, and it is to be noted that the Deputy advises that there are no completed authoritative studies.

He does cite figures relating to 1960 employment related to exports and imports, and I suppose these furnish some basis for making projections. However, I find it difficult to understand why this legislation would be presented to us before authoritative studies providing reasonably accurate forecasts were completed. In this connection, I ask unanimous consent that the following tables be inserted in the RECORD at the conclusion of my remarks: From the publication "Domestic Employment Attributable to U.S. Exports, 1960," published by the Bureau of Labor Statistics, tables 2, 3, 4, and 5; and from the publication "Employment in Relation to U.S. Imports, 1960," also published by the Bureau of Labor Statistics, tables 2, 3, 4, and 5.

There being no objection, the letter and tables were ordered to be printed in the RECORD, as follows:

THE ASSISTANT SECRETARY
OF COMMERCE,
Washington, D.C., September 12, 1962.

Hon. JACK MILLER,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MILLER: In our conversation at the end of the briefing on the trade bill arranged by Senator MORSE, you expressed an interest in the relationship between foreign trade and employment and queried whether any forecasts had been made of future levels in U.S. trade and related employment.

Earlier this year the Labor Department published two studies estimating the number of jobs attributable to U.S. exports and imports in 1960. (Please see enclosures.)

In the export study, the Labor Department estimated that 3.1 million workers were required directly or indirectly to produce, transport, and market the $20.7 billion of merchandise exported by the United States in 1960. This estimate includes all American labor involved from the raw material stage to delivery of the export at the foreign port, but does not include the employment resulting from the income-generating effects of export-related employment, i.e., employment required to produce food, clothing, housing, etc., purchased by workers whose jobs are attributable to exports. (On the basis of this, it was estimated that about 150,000 jobs are generated for each additional billion dollars of exports.)

On the import side, Labor estimated that approximately 941,000 workers were supported by activities connected with the $15 billion of products imported in 1960. This estimate includes employment in: (1) the transporting, handling, and distributing of imports from the foreign ports through the U.S. ports to domestic factories that process imported raw materials and to wholesalers that import and distribute finished manufacturers; (2) supplying fuel and supplies to the trade and transportation sectors; (3) processing imported raw materials and semimanufacturers; and (4) replacing plant and equipment used up in these stages of handling imports. The processing estimate is

limited to direct employment in the first-stage processing of imports considered primarily noncompetitive. It does not include the additional indirect employment involved in providing materials, supplies, and services for the processing of these imported materials. Thus, it was estimated that over 62,600 jobs are created for each additional billion dollars of imports.

The Labor Department study did not attempt to show a "net" effect of imports on employment, weighing both the positive and negative effects. It did, however, try to answer the hypothetical question, how much employment would be required to produce in the United States the $6.8 billion of "competitive" imports in 1960; i.e., all finished manufactures and selected raw materials and semimanufactures.

According to the Bureau of Labor Statistics, about 1 million workers would be required to produce, in the United States, imports of all finished manufactures and other products considered "competitive" with domestically produced goods. It is important to note, however, that such hypothetical employment does not represent jobs lost by Americans as a result of imports. Estimation of actual jobs "lost" requires a different type of analysis involving investigation of actual changes in employment related to specific imports, the degree and precise character of the competition and the concurrent effect of changing productivity and demand. Research along these lines is being undertaken by the Bureau of Labor Statistics as part of the broad investigation of the impact of foreign trade on employment.

Secretary of Labor Goldberg, testifying before the House Ways and Means Committee on March 13, perhaps best summed up the impact of foreign trade on employment when he said: "The total adds up to something like this—and again, I want to emphasize that these are conjectures all around because under no circumstances do I believe the Congress of the United States would choke off our exports and choke off our imports totally—but if we were to assume a total program of this type, we would find that we could lose on one side 4 million jobs and we might gain on the other side at most, if we did actually gain them—which is doubtful—800,000 to 900,000 jobs. We would have a net loss from this policy of at least 3 million jobs. In other words, the price of adding one job by a policy that would revert to erecting a trade wall around the United States, the price of adding one job, would be the loss from this policy of at least three to four jobs."

Turning to your query concerning foreign trade forecasts, I have been unable to locate any completed authoritative studies on this topic that have been published either in the Government or outside. I have learned, however, that Mr. Walter Salant of the Brookings Institution is preparing for the Council of Economic Advisers a study of U.S. balance-of-payments trends, which will include forecasts of our imports and exports. The study should be completed in November and it is anticipated that a report of its finding will be made public.

Please let me know if there is anything else you need in this connection.

Sincerely yours,

PETER T. JONES,
Deputy Assistant Secretary for Trade Policy.

TABLE 2.—*Employment attributable to exports and total employment in the private economy, by industry group, 1960*

[In thousands]

Industry group	Employment attributable to exports			Total employment in the private economy [3]
	Direct [1]	Indirect [2]	Total	
Total employment [4]	1,467.1	1,614.6	3,081.7	52,865.0
Farm	539.6	401.8	941.4	7,145.0
Nonfarm	927.5	1,212.8	2,140.3	45,720.0
Mining	28.3	61.6	89.9	709.0
Manufacturing [5]	640.6	647.0	1,287.6	16,654.7
Food and kindred products	32.9	24.3	57.3	1,778.6
Tobacco manufactures	6.0	5.8	11.7	91.8
Textile mill products	27.3	20.0	47.3	944.1
Apparel and other finished products	17.8	5.7	23.5	1,246.0
Lumber and wood products, except furniture	11.6	26.4	38.0	624.7
Furniture and fixtures	2.8	2.3	5.1	370.9
Paper and allied products	13.1	26.7	39.8	597.1
Printing, publishing, and allied industries	6.4	24.6	30.9	894.7
Chemicals and allied products	46.2	69.5	115.7	804.7
Petroleum refining and related industries	6.6	10.1	16.7	237.1
Rubber and miscellaneous plastics products	14.0	14.2	28.2	387.0
Leather and leather products	6.0	2.9	8.9	373.4
Nonfarm—Continued				
Manufacturing [5]—Continued				
Stone, clay, and glass products	11.8	17.7	29.5	619.0
Primary metal industries	31.4	139.7	171.0	1,187.4
Fabricated metal products	28.1	44.2	72.3	1,120.2
Machinery, except electrical	154.2	69.8	224.0	1,448.4
Electrical machinery, equipment, and supplies	57.1	35.2	92.4	1,326.3
Transportation equipment	[5] 104.4	27.5	131.9	1,687.5
Professional, scientific, and controlling instruments	27.0	6.4	33.4	327.3
Miscellaneous manufacturing and ordnance	[5] 36.0	6.9	42.9	594.8
Military (indirect)		[6] 67.2	67.2	([7])
Trade	120.3	78.3	198.6	9,786.0
Transportation, including ocean (U.S. ships)	118.1	95.4	213.5	2,565.0
All other [8]	20.3	120.6	140.9	16,005.0
Employment attributable to replacement of plant and equipment consumed [9]		210.0	210.0	([7])

[1] Covers employment in producing, transporting, and marketing goods in the form in which exported, e.g., steel, automobiles, etc. Employment required for transportation of goods is included in transportation industry, and employment for marketing in trade industry.

[2] Covers employment in the supporting industries which produce, transport, and market the materials, parts, components, etc., which are used to make the products which are then exported. For example, the indirect employment in the steel industry is the employment required to make the steel which is not exported as steel but used to make automobiles, machinery, appliances, and fabricated steel products which are then exported.

[3] Farm employment estimates for 1960 from "Farm Labor," U.S. Department of Agriculture, and "Census of Agriculture," U.S. Department of Commerce, Bureau of the Census; manufacturing employment estimates from 1959 "Survey of Manufactures," U.S. Department of Commerce, Bureau of the Census; employment for remaining industry groups based on 1960 employment estimates by the U.S. Department of Labor, Bureau of Labor Statistics, contained in "Employment and Earnings," November 1961.

[4] Covers all nonfarm wage and salary employment (excluding government) and total employment on farms, including farm operators, family workers, and employees. May exceed actual number of persons employed because of dual jobholding.

[5] Includes exports of major military end items such as military vehicles, aircraft, ships, and ordnance including small arms and ammunition. Of the total military direct employment of 65,900 workers, about 39,600 are in transportation equipment industry group and 26,300 in ordnance and miscellaneous manufacturing.

[6] The indirect employment required to produce major military exports was not estimated in detail but as an overall figure and therefore could not be distributed to the individual industry groups. For this reason, the indirect employment shown for military goods industries does not refer to indirect employment in the military goods industries but to indirect employment in the industries supplying materials, parts, components, etc., to the military goods industries. Because the indirect employment resulting from military exports could not be distributed to the individual supporting industries, estimates of indirect employment in each of these industries are understated to some extent and the share of industry employment attributable to exports is also understated.

[7] Not available.

[8] Covers utilities, communications, all business services, forestry, fisheries, agricultural services, and contract construction.

[9] Employment required to replace plant and equipment used up in the course of producing, transporting, and marketing the goods exported from the United States was estimated as an overall total and therefore could not be distributed to individual industry groups. Because employment could not be distributed to machinery and construction industries, and supporting industries, estimates of indirect employment in each of these industries are understated.

NOTE.—Because of rounding, individual values may not add to total.

TABLE 3.— *Percent distribution of employment attributable to exports and total employment in the private economy, by industry group,*[1] *1960*

Industry group	Employment attributable to exports			Total employment in the private economy
	Direct	Indirect	Total	
Total employment	100.0	100.0	100.0	100.0
Farm	36.8	24.9	30.5	13.5
Nonfarm	63.2	75.1	69.5	86.5
Mining	1.9	3.8	2.9	1.3
Manufacturing	43.7	40.1	41.8	31.5
Food and kindred products	2.2	1.5	1.9	3.4
Tobacco manufactures	.4	.4	.4	.2
Textile mill products	1.9	1.2	1.5	1.8
Apparel and other finished products	1.2	.4	.8	2.4
Lumber and wood products, except furniture	.8	1.6	1.2	1.2
Furniture and fixtures	.2	.1	.2	.7
Paper and allied products	.9	1.7	1.3	1.1
Printing, publishing, and allied industries	.4	1.5	1.0	1.7
Chemicals and allied products	3.1	4.3	3.8	1.5
Petroleum refining and related industries	.4	.6	.5	.5
Rubber and miscellaneous plastics products	1.0	.9	.9	.7
Leather and leather products	.4	.2	.3	.7
Nonfarm—Continued				
Manufacturing—Continued				
Stone, clay, and glass products	.8	1.1	1.0	1.2
Primary metal industries	2.1	8.7	5.5	2.2
Fabricated metal products	1.9	2.7	2.3	2.1
Machinery, except electrical	10.5	4.3	7.3	2.7
Electrical machinery, equipment, and supplies	3.9	2.2	3.0	2.5
Transportation equipment	7.1	1.7	4.3	3.2
Professional, scientific, and controlling instruments	1.8	.4	1.1	.6
Miscellaneous manufacturing and ordnance	2.5	.4	1.4	1.1
Military (indirect)		4.2	2.2	(2)
Trade	8.2	4.8	6.4	18.5
Transportation, including ocean (U.S. ships)	8.0	5.9	6.9	4.8
All other	1.4	7.5	4.6	30.3
Employment attributable to replacement of plant and equipment consumed		13.0	6.8	(2)

[1] Percent distribution based on table 2.
[2] Not available.

NOTE.—Because of rounding, percentages may not add to totals.

TABLE 4.—*Direct and indirect employment as percent of total employment attributable to exports, by industry group, 1960* [1]

Industry group	Employment attributable to exports [2]	
	Direct	Indirect
Total employment	47.6	52.4
Farm	57.3	42.7
Nonfarm	43.3	56.7
Mining	31.5	68.5
Manufacturing	49.6	50.4
Food and kindred products	57.5	42.5
Tobacco manufactures	50.8	49.2
Textile mill products	57.8	42.2
Apparel and other finished products	75.7	24.3
Lumber and wood products, except furniture	30.6	69.4
Furniture and fixtures	54.8	45.2
Paper and allied products	32.8	67.2
Printing, publishing, and allied industries	20.5	79.5
Chemicals and allied products	39.9	60.1
Petroleum refining and related industries	39.5	60.5
Rubber and miscellaneous plastics products	49.6	50.4
Leather and leather products	67.7	32.3
Nonfarm—Continued		
Manufacturing—Continued		
Stone, clay, and glass products	40.0	60.0
Primary metal industries	18.4	81.6
Fabricated metal products	38.8	61.2
Machinery, except electrical	68.8	31.2
Electrical machinery, equipment, and supplies	61.8	38.2
Transportation equipment	79.2	20.8
Professional, scientific, and controlling instruments	80.9	19.1
Miscellaneous manufacturing and ordnance	83.9	16.1
Military (indirect)		100.0
Trade	60.6	39.4
Transportation, including ocean (U.S. ships)	55.3	44.7
All other	14.4	85.6
Employment attributable to replacement of plant and equipment consumed		100.0

[1] Percent distribution based on table 2.
[2] Total employment attributable to exports equals 100 percent.

NOTE.—Because of rounding, sums of individual items may not equal totals.

TABLE 5.—*Employment attributable to exports as percent of total employment in the private economy, by industry group,*[1] *1960*

Industry group	Employment attributable to exports			Total employment in the private economy
	Direct	Indirect	Total	
Total employment	2.8	3.1	5.8	100.0
Farm	7.6	5.6	13.2	100.0
Nonfarm	2.0	2.7	4.7	100.0
Mining	4.0	8.7	12.7	100.0
Manufacturing	3.8	3.9	7.7	100.0
Food and kindred products	1.8	1.4	3.2	100.0
Tobacco manufactures	6.5	6.3	12.8	100.0
Textile mill products	2.9	2.1	5.0	100.0
Apparel and other finished products	1.4	.5	1.9	100.0
Lumber and wood products, except furniture	1.9	4.2	6.1	100.0
Furniture and fixtures	.8	.6	1.4	100.0
Paper and allied products	2.2	4.5	6.7	100.0
Printing, publishing, and allied industries	.7	2.8	3.5	100.0
Chemicals and allied products	5.7	8.6	14.4	100.0
Petroleum refining and related industries	2.8	4.2	7.0	100.0
Rubber and miscellaneous plastics products	3.6	3.7	7.3	100.0
Leather and leather products	1.6	.8	2.4	100.0
Nonfarm—Continued				
Manufacturing—Continued				
Stone, clay, and glass products	1.9	2.9	4.8	100.0
Primary metal industries	2.6	11.8	14.4	100.0
Fabricated metal products	2.5	4.0	6.4	100.0
Machinery, except electrical	10.7	4.8	15.5	100.0
Electrical machinery, equipment, and supplies	4.3	2.7	7.0	100.0
Transportation equipment	6.3	1.6	7.8	100.0
Professional, scientific, and controlling instruments	8.3	2.0	10.2	100.0
Miscellaneous manufacturing and ordnance	6.1	1.2	7.2	100.0
Military (indirect)	(2)	(2)	(2)	(2)
Trade	1.2	.8	2.0	100.0
Transportation, including ocean (U.S. ships)	4.6	3.7	8.3	100.0
All other	.1	.8	.9	100.0
Employment attributable to replacement of plant and equipment consumed	(2)	(2)	(2)	(2)

[1] Percent distribution based on table 2.
[2] Not available.

NOTE.—Because of rounding, percentages may not add to totals.

TABLE 2.—*Estimated employment attributable to imports, 1960*

[Thousands]

Item	Employment
Total employment related to imports	941.2
Employment related to U.S. ocean and other transportation to U.S. port [1]	26.3
U.S. cargo insurance [2]	3.0
Domestic transportation	67.4
Wholesale trade	98.2
Activities of supplying industries [3]	60.4
Employment involved in 1st-stage processing of "supporting" imports [4]	618.7
Employment related to replacement of plant and equipment consumed [5]	67.2

[1] Covers transportation of U.S. imports on U.S. planes, trains, and flag-flying ships; and unloading of U.S. imports.
[2] Covers insurance of U.S. imports by U.S. insurers.
[3] Covers employment indirectly generated through U.S. transportation, insurance, and trade of U.S. imports. This employment was estimated as an overall total and, therefore, could not be distributed to individual industry groups.
[4] "Supporting" imports as defined by U.S. Department of Commerce. See definition in technical note.
[5] Covers employment required to replace plant and equipment used up in the course of U.S. transportation, insurance, and trade of U.S. imports and in first-stage processing of "supporting" imports. This employment was estimated as an overall total and, therefore, could not be distributed to individual industry groups.

TABLE 3.—*Assignment of "competitive" imports to comparable U.S. industry sectors, 1960*

[Millions]

Type of "competitive" import	Value
U.S. port value of imports of finished manufactures and other products considered competitive with domestically produced goods [1]	$6,808.6
Distribution to comparable U.S. producing sectors:	
Farm	241.5
Nonfarm	6,567.1
Mining	147.1
Manufacturing	6,247.4
Food and kindred products	429.9
Tobacco manufactures	25.5
Textile mill products	797.4
Apparel and other finished products	422.2
Lumber and wood products, excluding furniture	174.9
Furniture and fixtures	34.3
Paper and allied products	98.7
Printing, publishing, and allied industries	43.3
Distribution—Continued	
Nonfarm—Continued	
Manufacturing—Continued	
Chemicals and allied products	$435.9
Petroleum refining and related products	97.0
Rubber and miscellaneous plastics products	183.1
Leather and leather products	142.3
Stone, clay, and glass products	263.9
Primary metal industries	570.8
Fabricated metal products	239.2
Machinery, except electrical	398.1
Electrical machinery, equipment, and supplies	389.5
Transportation equipment	844.8
Professional, scientific, and controlling instruments	247.2
Miscellaneous manufacturing and ordnance	409.4
All other [2]	172.6

[1] "Competitive" imports are all finished manufactured products and other selected raw materials and semimanufactured products considered directly "competitive" with American-made goods.
[2] Includes forestry and fisheries.

Source: "U.S. Commodity Exports and Imports as Related to Output, 1958," U.S. Department of Commerce, Bureau of the Census (1962).

TABLE 4.—*Hypothetical employment required to produce and market in the United States all finished manufactures and other products considered "competitive" with domestically produced goods* [1]

[Thousands]

Industry group	Employment		
	Direct [2]	Indirect [3]	Total
U.S. employment required to produce imports	439.5	550.4	989.9
Farm	87.1	103.9	191.0
Mining	4.0	19.3	23.3
Manufacturing	332.1	256.6	588.7
Food and kindred products	12.7	7.8	20.5
Tobacco manufactures	1.6	.5	2.1
Textile mill products	48.9	26.6	75.5
Apparel and other finished products	37.0	8.8	45.8
Lumber and wood products, except furniture	13.6	12.8	46.4
Furniture and fixtures	2.7	1.4	4.1
Paper and allied products	3.8	11.8	15.6
Printing, publishing, and allied industries	2.1	11.5	13.6
Chemicals and allied products	12.4	27.9	40.3
Petroleum refining and related industries	1.2	2.4	3.6
Rubber and miscellaneous plastics products	12.8	7.2	20.0
Leather and leather products	13.3	4.1	17.4
Stone, clay, and glass products	23.3	10.4	33.7
Primary metal industries	18.8	50.2	69.0
Manufacturing—Continued			
Fabricated metal products	12.8	18.4	31.2
Machinery, except electrical	22.8	17.3	40.1
Electrical machinery, equipment, and supplies	23.5	12.5	36.0
Transportation equipment	25.0	11.7	36.7
Professional, scientific, and controlling instruments	14.3	5.1	19.4
Miscellaneous manufacturing and ordnance	29.5	8.2	37.7
Trade		26.2	26.2
Transportation		31.3	31.3
All other [4]	16.3	39.4	55.7
Employment attributable to replacement of plant and equipment consumed		73.7	73.7
U.S. employment necessary to transport and distribute imports from factory to wholesalers	62.7	20.3	83.0
Trade	42.5		43.5
Transportation	20.2		20.2
All other [5]		20.3	20.3
Total	502.2	570.7	1,072.9

[1] See technical note for U.S. Department of Commerce definition of "competitive" imports.
[2] Covers employment which would be required to produce, transport, and market goods in the form in which imported.
[3] Covers employment in the supplying industries which produce, transport, and market the materials, parts and components, etc., which would be used to make the products imported.
[4] Includes employment in insurance, forestry, fisheries, and agricultural services.
[5] Represents employment estimated as an aggregate and not distributed among separate industries.

TABLE 5.—*Employment attributable to exports and total employment [1] in the private economy, by industry group, 1960*

[In thousands]

Industry group	Employment attributable to exports			Total employment in the private economy [4]	Percent of employment attributable to exports		
	Direct [2]	Indirect [3]	Total		Direct	Indirect	Total
Total employment [1]	1,467.1	1,614.6	3,081.7	52,865.0	2.8	3.1	5.8
Farm	539.6	401.8	941.4	7,145.0	7.6	5.6	13.2
Nonfarm	927.5	1,212.8	2,140.3	45,720.0	2.0	2.7	4.7
Mining	28.3	61.6	89.9	709.0	4.0	8.7	12.7
Manufacturing [5]	640.6	647.0	1,287.6	16,654.7	3.8	3.9	7.7
Food and kindred products	32.9	24.3	57.3	1,778.6	1.8	1.4	3.2
Tobacco manufactures	6.0	5.8	11.7	91.8	6.5	6.3	12.8
Textile mill products	27.3	20.0	47.3	944.1	2.9	2.1	5.0
Apparel and other finished products	17.8	5.7	23.5	1,246.0	1.4	.5	1.9
Lumber and wood products, except furniture	11.6	26.4	38.0	624.7	1.9	4.2	6.1
Furniture and fixtures	2.8	2.3	5.1	370.9	.8	.6	1.4
Paper and allied products	13.1	26.7	39.8	597.1	2.2	4.5	6.7
Printing, publishing, and allied industries	6.4	24.6	30.9	894.7	.7	2.8	3.5
Chemicals and allied products	46.2	69.5	115.7	804.7	5.7	8.6	14.4
Petroleum refining and related industries	6.6	10.1	16.7	237.1	2.8	4.2	7.0
Rubber and miscellaneous plastics products	14.0	14.2	28.2	387.0	3.6	3.7	7.3
Leather and leather products	6.0	2.9	8.9	373.4	1.6	.8	2.4
Stone, clay, and glass products	11.8	17.7	29.5	619.0	1.9	2.9	4.8
Primary metal industries	31.4	139.7	171.0	1,187.4	2.6	11.8	14.4
Fabricated metal products	28.1	44.2	72.3	1,120.2	2.5	4.0	6.4
Machinery, except electrical	154.2	69.8	224.0	1,448.4	10.7	4.8	15.5
Electrical machinery, equipment, and supplies	57.1	35.2	92.4	1,326.3	4.3	2.7	7.0
Transportation equipment	[5] 104.4	27.5	131.9	1,687.5	6.2	1.6	7.8
Provessional, scientific, and controlling instruments	27.0	6.4	33.4	327.3	8.3	2.0	10.2
Miscellaneous manufacturing and ordnance	[5] 36.0	6.9	42.9	594.8	6.1	1.2	7.2
Military (indirect)		[6] 67.2	67.2	(7)	(7)	(7)	(7)
Trade [8]	120.3	78.3	198.6	9,786.0	1.2	.8	2.0
Transportation, including ocean (U.S. ships)	118.1	95.4	213.5	2,565.0	4.6	3.7	8.3
All other [9]	20.3	120.6	140.9	16,005.0	.1	.8	.9
Employment attributable to replacement of plant and equipment consumed [10]		210.0	210.0	(7)	(7)	(7)	(7)

[1] Covers all nonfarm wage and salary employment (excluding government) and total employment on farms, including farm operators, family workers, and employees. May exceed actual number of persons employed because of dual jobholding.

[2] Covers employment for producing, transporting, and marketing goods in the form in which exported, e.g., steel, automobiles, etc. Employment required for transportation of goods is included in transportation industry, and employment for marketing in trade industry.

[3] Covers employment in the supporting industries which produce, transport, and market the materials, components, etc., which are used to make the products which are then exported. For example, the indirect employment in the steel industry is the employment required to make the steel which is not exported as steel but used to make automobiles, machinery, appliances and fabricated steel products which are then exported.

[4] Farm employment estimates for 1960 from "Farm Labor," U.S. Department of Agriculture, and "Census of Agriculture," U.S. Department of Commerce, Bureau of the Census; manufacturing employment estimates from 1959 "Survey of Manufactures," U.S. Department of Commerce, Bureau of the Census; employment for nonmanufacturing industry groups based on 1960 employment estimates by the U.S. Department of Labor, Bureau of Labor Statistics, contained in "Employment and Earnings," November 1961.

[5] Includes exports of major military end items such as military vehicles, aircraft, ships, and ordnance including small arms and ammunition. Of the total military direct employment of 65,900 workers, about 39,600 are in the transportation equipment industry group and 26,300 in ordnance and miscellaneous manufacturing.

[6] The indirect employment required to produce major military exports was not estimated in detail but as an overall figure and therefore could not be distributed to the individual industry groups. For this reason, the indirect employment shown for military goods industries does not refer to indirect employment in that industry but to indirect employment in the industries supplying materials, parts, components, etc., to the military goods industries. Because the indirect employment resulting from military exports could not be distributed to the individual supporting industries, estimates of indirect employment in each of these industries are understated to some extent and the share of industry employment attributable to exports is also understated.

[7] Not available.

[8] Excluding eating and drinking establishments.

[9] Covers utilities, communications, all business services, forestry, fisheries, agricultural services, and contract construction.

[10] Employment required to replace plant and equipment used up in the course of producing, transporting, and marketing the goods exported was estimated as an overall total and therefore could not be distributed to individual industry groups. Because employment could not be distributed to machinery and construction industries and supporting industries, estimates of indirect employment in each of these industries are understated.

NOTE: Because of rounding, individual values may not add to total.

Source: U.S. Department of Labor, Bureau of Labor Statistics, Monthly Labor Reveiw, March 1962, p. 277.

UNANIMOUS CONSENT AGREEMENT TO VOTE AT 1:30 P.M.

During the delivery of Mr. RANDOLPH'S remarks,

Mr. MANSFIELD. Mr. President, will the Senator from West Virginia yield to me, with the understanding that he will not lose his right to the floor?

Mr. RANDOLPH. I am delighted to cooperate with the majority leader.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the request I am about to make be printed before the address by the Senator from West Virginia, so that his address will not lose its continuity. It is too fine an address to be interrupted in its printing, but I believe the request I have to make is important.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, on behalf of the distinguished minority leader and myself, I ask unanimous consent that the vote on the question of passage of the Trade Expansion Act of 1962 be held at 1:30 this afternoon.

The VICE PRESIDENT. Is there objection to the request by the Senator from Montana?

Without objection, the normal quorum call will be waived.

Without objection, the agreement is entered into.

Mr. MANSFIELD. Mr. President, if perchance any Senator seems to be foreclosed, the leadership will feel free at that time to ask for an extension.

UNFAIR FOREIGN COMPETITION THREATENS AMERICAN INTERNATIONAL AIR CARRIERS

Mr. RANDOLPH. Mr. President, Members of this forum will, within a few hours, exercise affirmative action on the Trade Expansion Act of 1962. I am sure that Senators on both sides of the aisle, although differing in their approach to this problem, realize the vital importance of increased international trade to international peace and prosperity, and to our country's economy.

I shall support the pending measure. During my service in the House my approval was given to reciprocal trade legislation. The results of such program have not been completely satisfactory. In fact, I was almost persuaded to join in support of one or more amendments which were before us for decision during the past 2 days.

We desire—all of us—a bill incorporating provisions which are, insofar as possible, aimed at providing equitable treatment.

The pending proposal has been discussed in terms of its provisions for the lowering of U.S. tariffs on foreign goods. This is only one of its features, but it is misleading to emphasize this one objective while ignoring the more fundamental purposes of the legislation.

Mr. President, actually, we are considering a new venture in international trade relations which we believe would provide greater flexibility in the setting of tariffs on foreign products in exchange for the comparable removal of foreign barriers against American goods. Our hope is to increase total international trade and to expand U.S. exports.

The principle of reciprocity is basic to the Trade Expansion Act. It is not a giveaway program; nor is it a unilateral lowering of our defenses against overseas competition. It will provide for a business-like and realistic relationship between the United States and those nations of the world with which we now trade or might trade in the future.

I am interested in the welfare of the workers and the industries of the United States. Fundamentally, pertinent provisions of the pending measure represent a recognition of this interest—which I know is likewise shared by my colleagues.

But I am concerned that the interest in the welfare of U.S. workers and industries contemplated to be a characteristic of the trade expansion program might be ignored in the area of international aviation.

Mr. President, we must not overlook the fact that international aviation is a vital element of world trade. It is important because of its role in transporting commodities and persons in furtherance of world travel and commerce. It is necessary that we understand that the exchange of international air services represents as direct an impact of our balance of payments position as does the exchange of a physical commodity.

The sale of U.S.-flag airline services to an American citizen has the same effect as the purchase of a U.S. product rather than the purchase of a foreign manufactured item. Such air passage sales conserved $305 million in 1961. Similarly, the sale of U.S.-flag airline services to a foreign traveler or shipper has the identical beneficial effect as the sale abroad of any commodity produced or manufactured in this country. In 1961, these purchases amounted to an estimated $150 million. Thus, the combined balance of payments contribution of the U.S.-flag airlines last year was nearly one-half billion dollars.

While the Congress has been considering the President's trade expansion bill, this administration has been conducting a study of U.S. international aviation policies. Such an analysis is critically needed because of the seriously declining share of international traffic being carried by U.S.-flag airlines.

In 1961, over 61 percent of all international travelers were citizens of the United States. Notwithstanding this fact, our airlines carried less than one-half of all international air travelers. The two U.S. passenger air transport companies serving the North Atlantic market in competition with 18 foreign airlines, carried only 34 percent of the commercial air traffic. This downward trend is a warnnig to all citizens of our country that such a condition must be remedied if our carriers are to build a strong system and provide for its constant improvement. In fact, the very existence of U.S. international or American-flag ship lines is threatened.

Mr. President, the situation has come about despite the fact that international aviation services are operated on the basis of agreements between the United States and foreign nations that provide for the equal exchange of economic benefits.

Has there, in effect, been an equal exchange of economic benefits? I respond to this question by presenting the following facts and figures.

If a person took the time to think these facts through, he would realize the consequences are shocking to a republic such as the United States of America in a time of mobility, not only in the movement of products and people in this country, and on the international air routes of the world. Therefore, I ask Senators to be concerned with me when I indicate that the U.S.-flag airlines earned $149 million for transporting citizens of other countries last year, but American citizens paid $299 million for transportation on foreign flag airlines. This resulted in a balance-of-payments deficit of $150 million in the year 1961.

Will our air travel be dissipated as has our oceanic surface transportation?

I set down the uncontested truth as follows:

In 1961, U.S. sea carriers earned only $18 million for transporting foreign citizens, while U.S. citizens paid $216 million to foreign carriers for a balance-of-payments deficit of $198 million last year.

The problem is critical. I do not call, however, for restrictionism or protectionism for U.S. air carriers on international air routes. I urge only that the principle of reciprocity that characterizes the Trade Expansion Act of 1962 be held to apply to international aviation matters.

I would hope that while Senators are acting favorably on President Kennedy's trade expansion plan that the international aviation policy study group, established by the Chief Executive, will keep intact in its thinking the principle of the trade bill in focus during its deliberations and in making its recommendations. To do less would be to do acute damage to our American air carriers which fly the world routes.

The problems facing the United States and its international airlines have, in fact, become of increasing concern to the Congress. Under the leadership of the knowledgeable Senators who are the the chairman and ranking minority members of the Aviation Subcommittee—the junior Senator from Oklahoma [Mr. MONRONEY] and the senior Senator from New Hampshire [Mr. COTTON]—the subcommittee has begun to come to grips with the issues which cannot be postponed 10 years or 5 years, but issues which must be faced by our Government immediately. The ranking majority member of the subcommittee, the junior Senator from Florida [Mr. SMATHERS], likewise has for years been alert in bringing these issues to the attention of the Congress. Under a resolution by the Senator from New Hampshire [Mr. COTTON], hearings were held last year by the Aviation Subcommittee to define and focus attention on the broad problems involved in the international air picture. Disclosures emphasized the destructive foreign flag airline capacity and rate practices.

Troubles of this type cause the industry to suggest that additional tools be given the Civil Aeronautics Board to deal with these practices. Two bills introduced by the capable chairman of the Commerce Committee, Senator MAGNUSON, would clarify and strengthen the Board's authority in the capacity and foreign rate fields. Both of these steps are urgently needed and desirable.

These measures are necessary as initial steps if our Government is to have the virile air transport system it requires for its national defense and to build its economic strength.

Our American air carriers are faced with the inequity of competing with the airlines of foreign nations which have created discriminatory or unreasonable obstacles to U.S. carriers. This is not a generality. I propose to spell out these discriminations and unreasonable obstacles. Hearings before the Senate Aviation Subcommittee in 1961 revealed that the following countries discriminatorily limit or restrict our air carrier schedules: Argentina, Austria, Brazil, Colombia, Costa Rica, Finland, India, Indonesia, Japan, Korea, Lebanon, Mexico, New Zealand, Nicaragua, Nigeria, Philippines, Portugal, Turkey, and Venezuela.

In addition to these 18 countries there are instances where foreign governments do not permit U.S. airlines to serve routes between their country and ours and thereby preserve monopoly routes for themselves.

The danger of excess capacity, particularly on the North Atlantic route, is becoming critical, partly because of scheduling by some carriers in excess of that provided for in the bilateral agreement. It is also being aggravated by the increasing number of airlines desiring access to the heavy traffic on this route, most of which is U.S. generated. As I have indicated, in 1961 there were 18 foreign carriers on this route outnumbering our country's passenger carriers by a ratio of 9 to 1.

There are approximately a dozen other countries which already have rights which have not yet been exercised. For example, Greece, Egypt, Mexico, Turkey, Portugal, Austria, Lebanon, and Nationalist China are among those which have negotiated rights to fly to and from the United States over the Atlantic, but have not activated them.

There are also 16 emerging countries in Africa that were not independent a couple of years ago. Most of them want their own international airlines. Their patriotic fervor and their eagerness to fly their flag are understandable. I sometimes wonder, when we help a nation which is barely in the concept of the 20th century, to acquire jets for intercontinental air service to London and New York, whether we have fully considered that the same expenditures on our part to improve their standards of living, might not have been more useful to them and to all mankind.

I am not saying these countries do not have the right to operate international airlines. However, it does seem ironic for the United States, directly or indirectly, to subsidize such operations in competition with our own carriers. Moreover, the fact is that most of these nations are sorely in need of capital for domestic economic growth. It does not seem prudent to squander their resources to operate, for prestige purposes, uneconomic airlines which will benefit relatively few of their people.

Another major problem brought into focus by the Aviation Subcommittee's hearing results from destructive rate practices. Assistant Secretary of State Martin said the condition "has become

critical in recent years" and "the effect of these rate-cutting practices has been to divert passengers from U.S. carriers." This result has two aspects, the one related to International Air Transport Association carriers; the other to non-IATA carriers.

The first of these arises from rate cutting by IATA members who charge rates that have not been approved by the Civil Aeronautics Board. Machinery to deal with this problem already exists, and, in fact, is being effectively dealt with as a result of the recent annual general meeting of IATA in Dublin. The second and more difficult problem stems from practices by non-IATA carriers over which our Government has failed to exercise control.

The legislation introduced by Chairman MAGNUSON, to which I have referred, would give our Government the necessary tools to deal with these rate and capacity problems. It would not erect any artificial barriers to trade and commerce for the sake only of protecting our carriers. It provides our Government with added bargaining power comparable to that provided under the pending trade bill, which will shortly be passed by the Senate.

There is need for our country to have improved negotiating power, because, beside the problems of rate and capacity, we have the fact that U.S. carriers must compete against foreign government-owned or subsidized airlines, both individually and in pools.

We are told that $2 billion in U.S. farm exports to Europe are at stake in the avowed plans of the European Common Market to integrate its agriculture. We are also informed of the efforts of the United Kingdom and additional European states to join that Economic Community within the next 6 months. Therefore, Mr. President, we must consider the avowed plans of the Common Market countries, especially France, Italy, Germany, and Belgium, to integrate international airline operations. They propose to pool routes and traffic, interchange equipment, concentrate sales, overhaul and maintenance facilities, and accentuate efforts to penetrate the rich U.S. travel market even more deeply than at present, while cutting operating costs in the process.

In the Dutch Parliament in recent weeks, legislation providing some $10 million in direct loans to KLM Royal Dutch Airlines has been approved, along with loan guarantees for a much larger sum. In the course of debate, it was stated that KLM would eventually join Air Union, the combine of Air France, Sabena, Lufthansa, and Alitalia. Why? we can ask. And the answer is because integration would inevitably be necessary to more effectively compete and slash operating costs.

The Government-owned British Overseas Airways Corp. has acquired Cunard's airline on a 70- to 30-percent ownership basis. The purpose: to make BOAC and associated British Commonwealth long-haul carriers better able to compete vigorously in the aggressively competitive transatlantic market. Air France is receiving supplemental appropriations from the French Government—and we know the French Government is beset with many problems—to increase its working capital from 100 million new francs to 400 million new francs.

We lift our sights beyond the immediate but critical horizon and we see the rising of the red star of the Communist airline, Aeroflot, already the largest airline in the world. I repeat: The Soviet Union, through Aeroflot, operates the largest airline in the world. Aeroflot is introducing nonstop service between Havana and Moscow, using the turboprop TU–114, the huge plane which brought Chairman Khrushchev to Andrews Air Force Base from Russia a few years ago. Those of us who have traveled in Europe in the past 4 years have become accustomed to seeing twin-jet TU–104's at airports in many Western capitals.

The Soviet economic and political penetration is symbolized by the expansion of Soviet airline operations, an expansion which is a fact. We witness as well the use of Soviet military and commercial aircraft equipment, including engines and airframes, in many areas of the world. This is a danger signal. Will we heed it?

I have outlined some of the problems, and have shown the similarity between our trade policy and our international air transport policy.

To be successfully implemented, both the trade policy and the international air transport policy required the strong and active support of the U.S. Government, the Government acting through an awakened understanding on the part of all our citizens of the situation in which we find ourselves. Both policies require reciprocal international concessions. Both require the lifting of foreign restrictions imposed on American goods and services. Both require equal market opportunity between nations. Both require strict compliance with agreements between nations. Both require effective bargaining. Both require safeguards to protect the national interest of the United States. Both require dedicated and resourceful negotiators. Both require the strongest possible negotiating position. Both require energetic and imaginative American salesmanship, which today is being stifled because of practices which, as I have indicated, are unfair in marked degree.

The Interagency Committee on International Air Transport Policy must not fail to understand these fundamental similarities between our overall foreign trade policy and our international air transport policy.

Mr. President, Americans are supposed to be good businessmen. I believe that, by and large, we have proved that to be true. It has been said in rather plain language that we are good horse traders. Sometimes we wonder at the results, but we do know that we are more than willing to go to great lengths to help less fortunate peoples raise their economic standards and enhance their personal freedoms. But we must not abandon our national interest in the process. I submit that this is a time of crisis, and we must be resourceful and realistic in meeting the challenge. To do less is to fail. That we must not do.

Mr. MUSKIE. Mr. President, I rise in support of the trade expansion bill. I do so because I believe this proposed legislation represents a balanced program for a national trade policy. As a Senator from a State which grew on trade, but has felt the adverse effects of foreign competition, I can appreciate the advantages of expanded trade, and, at the same time, I understand the problems which such trade can create.

I do not need to remind my colleagues of the benefits of international trade. Even those who have doubts about the present bill agree, I believe, that our Nation must trade, in order to continue its economic growth. We need raw materials from other lands; we shall benefit from expanded markets overseas; healthy competition between domestic and foreign manufacturers can bring us improved products at lower prices; and the strength of the free world, I am sure, will be increased by the bonds of commerce.

But to sing the praises of trade expansion is not to ignore the prices it exacts. Wherever there is competition in the market place, someone must adjust. Not everyone can win. Someone may be hurt.

Because we are concerned about the human cost involved in economic competition, we have devised ways and means of softening the blows of economic adversity in domestic legislation. We have unemployment compensation programs, aid for small business, and area redevelopment legislation, for example, all of which are designed to help individuals and businesses adjust to changing conditions of competition.

The administration's trade bill, as introduced, recognized that international trade would involve adjustments.. Under the Trade Agreements Act, escape-clause proceedings were included, to enable the President to provide protection for domestic industries when the going was too rough and the competition from abroad impossible to meet in the normal play of the market.

The trade expansion bill added a new program comparable to our area redevelopment program, under the adjustment assistance provisions of the bill. For the first time, the Federal Government indicated that it was prepared to assume the responsibility of direct assistance where economic injury was traceable to national trade policy.

The House of Representatives improved upon the original bill, particularly in the field of general negotiating authority for increases in duties and quotas, the escape clause, and in the prenegotiating protection procedures.

Even so, I felt that H.R. 11970 fell short of meeting particular problems which industries in my own State and in other States confronted in the field of foreign trade. In the State of Maine, many of our communities have a single industry. Individual plants are faced by consistent competitive pressure from overseas, especially from the low-wage countries. This competition is severe in textiles, shoes, forest products, and electronics. As small businesses, these companies have narrow survival margins.

In recent years they have found that not only the volume of imports but also the rate of expansion of imports has disrupted markets and threatened them with economic ruin. What they need is not gigantic walls of protection, shielding them forever from the world market, but sufficient protection to shelter them while they adjust to changing conditions.

Some have said that such industries are inefficient, that they might as well be allowed to go out of business quickly, rather than lingering. This is a proposition I cannot accept. Maine industry and Maine workers can compete if they are given a fair chance.

In towns where there is but one industry, where economic resources are limited, adjustment assistance may come too late to restore the economic health of the community. Our experience with the area redevelopment program, while encouraging, demonstrates that the road back to prosperity is a long and hard one.

It has been my belief that neither high tariffs of extreme protectionism nor adjustment assistance after the loss of industries represented a complete and adequate answer to the problem of economic injury resulting from changes in trade patterns.

Almost a year and one-half ago, I introduced S. 1735, the Orderly Marketing Act. This legislation was designed to give the President specific authority to negotiate orderly marketing agreements with foreign countries where such agreements could provide reasonable protection against sudden increases in imports, without closing the door against reasonable import competition from abroad. This legislation, which was cosponsored by Senators TALMADGE, CHAVEZ, SMATHERS, BUSH, LONG of Louisiana, BARTLETT, WILEY, MCCARTHY, BIBLE, and MCGEE, had the support of the shoe industry, in particular.

I want to pause here to pay tribute to the shoe manufacturers and to the shoe workers who have supported this concept, not as an impassable barrier to trade, but as a reasonable approach to an orderly sharing of our domestic market, even under difficult conditions.

S. 1735 was directly related to the problem of low-wage-cost competition. It offered a formula for negotiating with foreign countries agreements which would relate the level of imports of a given commodity to the share of the domestic market currently enjoyed by such imports. The marketing agreements would permit an increase in imports in line with expanding domestic consumption. This proposal was comparable in principle to the Geneva Textile Agreements, concluded earlier this year.

Subsequent to the introduction of the Orderly Marketing Act, the Trade Expansion Act was submitted to the Congress. I urged that the principle of orderly marketing be incorporated in the trade legislation. To accomplish this purpose, on August 2, I submitted an amendment to H.R. 11970. The new amendment was designed to carry out, within the framework of the general trade bill, the intent of the Orderly Marketing Act. I was pleased to have bipartisan cosponsorship of this amendment, including Senators BARTLETT, CHAVEZ, COTTON, DODD, MURPHY, PASTORE, PELL, WILEY, LONG of Missouri, and RANDOLPH.

An August 14, I testified before the Senate Committee on Finance, urging that the orderly marketing agreement principle be incorporated by the Committee on Finance in H.R. 11970. I was deeply gratified, 1 month later, on September 14, when the committee adopted an amendment adding section 352 to the bill.

Section 352, as the committee report points out, gives "the President discretionary authority to enter into orderly marketing agreements with foreign countries, limiting the export of certain articles to the United States where such agreements offer an appropriate device to prevent or remedy serious injury to domestic industries found to be injured under the escape clause procedure."

The committee also has improved the escape clause, to make clear that trade agreements need not be the sole cause of injury, in order for an industry to seek relief. This was accomplished by the amendments which require that injury result only "in major part" from trade concessions. Furthermore, the industry need not be "down and out," to be eligible for relief. The committee language notes that the Tariff Commission take into account the "inability to operate at a reasonable profit."

In effect, the Senate Committee on Finance has recognized that international trade and the conditions of such trade are changing. With the development of modern industrial plants overseas, we no longer have an absolute advantage in industrial efficiency, especially in areas where wage costs represent a substantial part of the costs of production.

Under the bill, as reported by the committee, an industry injured or threatened with injury from imports has three kinds of relief available to it under the escape-clause procedures. The first is the imposition of tariffs or other import restrictions. The second is the orderly marketing agreement. The third is adjustment assistance.

The second alternative, that of the orderly marketing agreements, represents meaningful protection for the substantial group of industries confronted with low-wage competition from highly industrialized and efficient operations overseas. At the same time, it will not shut the door to foreign trade; but it will assure foreign manufacturers an opportunity to share in the orderly growth of our domestic market.

Traditionally, American industry has maintained a substantial advantage over foreign competition, even in low-wage areas, because of the relatively higher productivity of American labor. Since the end of World War II, we have seen that advantage whittled away as foreign companies have acquired modern plants and equipment—many times, equivalent to our own.

The experience of the shoe industry illustrates what happens when an efficient, highly competitive domestic industry is hit by efficient, highly competitive imports from countries where labor output is high and wages are low.

Imports of footwear, leather, and nonleather types, have increased 234.5 percent since 1957—from 11 million pairs in 1957 to 36.8 million pairs in 1961. For the first 6 months of 1962 they have more than doubled the rate of the comparable period of 1 year ago. While imports have been increasing, our exports have dropped from 4.4 million pairs in 1957 to 3 million pairs in 1961.

The impact of such competition must be measured, not only in terms of the volume of imports, but also in the rate of expansion and the ability of the foreign competitor to concentrate on certain lines of production and to shift rapidly from one line to another. The key to the problem is market disruption.

The orderly marketing agreement procedure under section 352 provides a tool for the President to use, in cases in which the device as practicable, in halting market chaos and in giving domestic manufacturers a breathing space in which to adjust to changing competitive conditions.

As the committee report has noted, the orderly marketing agreement approach is particularly applicable "when industries concerned have relatively low capital investment, high labor input, and manufacturing techniques which are easily transferred and labor skills which are easily acquired, and in which there is a tendency to overproduction for the world market. In such industries rapid expansion is possible and these industries are frequently characterized by substantial wage differentials as between countries."

Mr. President, I believe this amendment represents a constructive contribution to the cause of realistic and meaningful trade expansion. It has the enthusiastic support of the shoe industry. I have here seven telegrams from the industry indicating its reaction to the incorporation of section 352 in the bill. I ask unanimous consent that the telegrams be printed at this point in the RECORD.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

SUMMIT, N.J., *September 18, 1962.*

Senator EDMUND MUSKIE,
Old Senate Office Building,
Washington, D.C.:

Congratulations on Finance Committee acceptance of principles of your amendment for orderly marketing. This represents a sound and constructive achievement. We believe shoe manufacturing industry will welcome this measure as providing basis for ultimate import relief.

MERRILL A. WATSON,
Executive Vice President, National Shoe Manufacturing Association.
NEW YORK, N.Y.

BOSTON, MASS., *September 18, 1962.*
Hon. EDMUND S. MUSKIE,
Senate Office Building,
Washington, D.C.:

Our association extends heartiest congratulations to you on Senate Finance Committee's acceptance of your amendment providing for orderly marketing arrangements by the President. This action is a constructive achievement and culminates months of personal effort which have proven successful. We believe shoe manufacturing industry will welcome this measure as providing basis for ultimate important relief by the administration.

Your support of the shoe industry is deeply appreciated by fellow officers.

MAXWELL FIELD,
New England Shoe and Leather Association.

PORTLAND, MAINE, *September 18, 1962.*
Senator EDMUND S. MUSKIE,
Senate Office Building,
Washington, D.C.:

My personal congratulations to you upon acceptance by the Senate Finance Committee of your amendment for orderly marketing arrangement. Your support is greatly appreciated by the shoe manufacturers in your State.

Regards,

ABE W. BERKOWITZ,
Songo Shoe Manufacturing Co.

AUBURN, MAINE, *September 18, 1962.*
Hon. EDMUND MUSKIE,
Senate Office Building,
Washington, D.C.:

I just learned that your orderly marketing amendment has been accepted by the Senate Finance Committee, to be considered by the Senate when voting on the proposed tariff bill.

May I express for my own company and in behalf of shoe manufacturers in Maine my congratulations and sincere appreciation of your efforts in our behalf. Also in recognition of the probable advantages to shoe workers in your State.

LUCIEN FRENCH,
Charles Cushman Co.

WATERVILLE, MAINE, *September 18, 1962.*
Hon. EDMUND S. MUSKIE,
Senate Office Building, Washington, D.C.:

I appreciate everything you have done in supporting the orderly marketing arrangement amendment.

Sincerely,

HAROLD ALFOND,
Norrwock Shoe Co., Waterville, Maine.

DEXTER, MAINE, *September 18, 1962.*
SENATOR EDMUND S. MUSKIE,
Senate Office Building, Washington, D.C.:

The shoe manufacturers of Maine appreciate the support which you have given to the orderly marketing arrangement amendment.

DEXTER SHOE CO.,
HAROLD WOLFF.

LYNCHBURG, VA., *September 18, 1962.*
Senator EDMUND S. MUSKIE,
Senate Office Building, Washington, D.C.:

Congratulations on the adoption of the principles of your orderly marketing amendment. This is a great step forward for the shoe industry, and we welcome it as a necessary basis for ultimate import relief.

PERCY N. BURTON.

Mr. MUSKIE. Mr. President, I wish to take this opportunity to thank those who have worked with me for a year and one-half in perfecting this proposal, those of my colleagues who have supported me in this fight, and the members of the Finance Committee who made it possible for this principle to be adopted. I believe this legislation will be of benefit, not only to the State of Maine, but also to many other sections of our country. I am honored to have been able to play a role in making the orderly marketing agreement approach an integral part of our Nation's trade policy.

Mr. JAVITS. Mr. President, I did not have the opportunity to be here yesterday; I was engaged in some rather important business in Buffalo, N.Y., where I had the honor to be nominated as the candidate of my party for reelection to the U.S. Senate.

Mr. President, as I have listened to the debate on this subject of trade over the years, both when I was a Member of the House, and, more recently, since I have been a Member of the Senate. I have noted with great satisfaction that a number of major suggestions which I have made have been incorporated in trade legislation, including the pending bill as reported by the Finance Committee.

However, before I speak of that subject, I wish to say that I believe the bill which will be passed today—and I shall support it—will represent one of the most important steps in the foreign policy of our Nation, both in this administration, and, in my opinion, also in the previous administration. It will represent not only the affirmative step of coming abreast of the developments in connection with our economic leadership of the free world, in terms of the opportunities for expansion of its trade, but, even more, it will represent our acceptance of, and our determination to work in partnership with, the European Common Market, which probably is the most extraordinary and striking example of initiative successfully undertaken by the free world in the struggle against communism in the cold war.

All of us know only too well that unless some untoward event, which might occur anywhere—it might be in Berlin or in Cuba, or might come about because of the pressing of a button by a mad man—were to result in a war, the issue of world trade will be of very great importance in the years to come. It is my opinion that the integration of the free world, particularly insofar as its industrial power is concerned, is absolutely indispensable to victory in the struggle against communism. In my opinion, the pending bill marks a most signal achievement in connection with such integration, second in importance only to the European Economic Community itself, in view of the fact that our trade program is collaborative in the free world and bipartisan in our Nation.

I realize that those who, like myself, have been devoted to the bipartisan foreign policy of our country have always considered it to be the greatest evidence of the essential unity of the United States of America when we face a crisis of any kind on the world scene.

So, first and foremost, the Congress is to be congratulated on producing a measure which, in my view, represents the most signal achievement, since the establishment of the European Economic Community itself, for the integration of the economic power of the free world, in order to make it possible to cope with the very grave menace to all our institutions by communism, through its economic arm which has proved to be so attractive to many of the newly developing countries. The action contemplated by this measure will rebut—and will do so very effectively, I am sure—that Communist menace.

I take great satisfaction, Mr. President, in the fact that although the President will be given, by means of the bill, large grants of authority, he is also being given a grant of authority which shows that we are maturing and are awake to the possibilities of danger to our trade and to our economy, as well as to the possibility of good. The European Economic Community has a great potential for the expansion of the standards of living of the whole of Western Europe, making it an unparalleled market, second only to our own in the whole free world. It also could become a closed corporation with a protectionist character itself.

The fine amendment offered in committee by the Senator from Illinois [Mr. DOUGLAS]—an amendment which I urged before the committee when I testified before it—will go far toward enabling us to have a piece of equipment in reserve which can deal with any idea which Europeans might have of making the Common Market a protectionist enclave.

The second point of major importance is the fact that, in terms of trade, we have been taking an undue proportion of the exports of Japan, for example, and of other countries which have come back after World War II, after having been heavily damaged as a result of the war.

Also, we have been taking a large proportion of the exports of newly developing nations like India and Pakistan, which have an industrial potential of their own. It is extremely important that the production, whether it is of Japan, Hong Kong, or any other newly developing nations, should be properly shared by all the industrial nations of the world. The way in which the most-favored-nation treatment accorded by us, as basic to the policy, is treated in section 251 of the measure. Section 252(c), enables the President to act in the way of suspending, withdrawing, or preventing the application of the benefits of trade agreement concessions where U.S. commerce is substantially burdened, either directly or indirectly, because of unreasonable import restrictions—even against third countries—maintained by a foreign country. Again, we give the President a weapon in reserve to deal with that critically important situation.

Here, too, I had recommended to the committees a similar way of proceeding. I am very pleased this has been done.

Also, Mr. President, with respect to my suggestions relating to congressional veto of Presidential action on Tariff Commission recommendations in escape clause cases, and retention by the Tariff Commission of authority to make findings and recommendations with respect to injury from imports to industry and workers—both in the escape clause and in the so-called adjustment clauses—I

take great satisfaction in seeing them incorporated.

Also, I had urged upon the committees broadening the President's authority to eliminate tariffs, not only with the European Economic Community, but also with other industrialized nations, in view of the fact that the bill, as presented by the administration, assumed the entry into the European Common Market of the United Kingdom. I am very pleased to see that the extension of the President's authority in this respect to countries of the European Free Trade Association now has accomplished at least in large part the intent of my suggestion.

I think Congress can take great satisfaction in what has been done here. I have lived with foreign economic policy ever since I was in the other body, and in this body also. As a matter of fact, in my last 2 years in the House, I was chairman of the Foreign Economic Policy Subcommittee. I am confident we are taking here one of the most critically important steps required to equip us effectively to deal with the challenge and to throw back in his teeth Khrushchev's boast that he will bury us, which was later defined to mean that he will bury us economically.

I look for a new burst of trade and enterprise. I look for the Atlantic Community to help in granting more aid to the less developed nations. I look for help from them in the Alliance for Progress program. I look for Europe to help in the associated African territories. I look for help in world consortiums like the World Bank, the International Finance Corporation, the International Development Association, and in moving into areas of Southeast Asia in a developmental way.

We are not doing enough. Governments have their limitations. We have not done enough in bringing the free enterprise system into the relationship it ought to occupy to foreign aid development. This is a struggle for tomorrow, which I hope to undertake here strongly, if my people send me back to the Senate. But today we are striking an enormous blow, in terms of governmental action, in the field of trade which is more important even than aid itself. A drop in the price of coffee, for example, might eliminate in an afternoon all the aid that we might give to Brazil for a year or more. We are striking a blow for freedom which has been unparalleled in the last few years and which is the greatest economic development since the European Common Market.

Mr. President, two amendments were presented in my name yesterday, one by the junior Senator from Illinois, and one by the junior Senator from Pennsylvania. I am grateful to both of those Senators, and I am grateful to the Senate for the consideration it gave to those amendments.

One amendment provided for a Council of Advisers, composed of business, labor, and agricultural people who could be of assistance to our negotiators in relation to tariff and other negotiations, but would not actually serve as negotiators. This is something that could be done by way of administration. I know, and I state as a fact, that it represents a very important way of tying private enterprise and the great expertise which resides there into our negotiations. It will help the President restore confidence of the business community in this administration if he, himself, is responsible for establishing such a Council of Advisers. I hope he will do so, and I invite him to do so. My amendment is not needed. The President can do it. I hope very much he will, and strongly urge it upon him.

Mr. President, I ask unanimous consent to have inserted in the RECORD at this point a revised version of this first amendment which was rejected by the Senate yesterday. The junior Senator from New York has expressed the desire to join me in this revised version. I hope that it may serve as some guidance as to what could be done administratively in this respect.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

On page 18, between lines 14 and 15, insert the following:

"(c)(1) The Special Representative for Trade Negotiations shall appoint a Council of Advisers which shall consist of not to exceed fifty appointive members to be selected from the major organizations in the United States representing industry, agriculture, and labor. In addition, the congressional delegates to negotiations, selected pursuant to section 243, shall, during any period in which they are accredited members of a United States delegation to any negotiation under this title, serve as ex officio members of such Council. The Special Representative shall serve as chairman of such Council. The provisions of section 1003 of the National Defense Education Act of 1958 (20 U.S.C. 583) shall apply to members appointed to such Council.

"(2) Members of the Council of Advisers shall give advice and counsel with respect to products of direct interest to them to members of any United States delegation to negotiations under this title, and to the United States delegates to any other international meeting dealing with modifications of existing trade restrictions. The Special Representative for Trade Negotiations shall provide members of the Council with such information with respect to such negotiations and meetings as he determines will enable such members to fully and effectively discharge their functions under this subsection."

Mr. JAVITS. With respect to the other amendment, designed to ease the burdens of certain agricultural producers and of American manufacturers, the principal cost of whose products results from the high prices of commodities protected under our price-support programs, I believe that the way in which the orderly marketing agreement provision in section 352 of the bill is administered will go a long way toward helping the people we were trying to help by my amendment. Again, the President can do it. I urge that he do it. He can do it, with propriety, in an administrative way, as long as the Senate did not accept my amendment.

I yield the floor.

Mr. ENGLE. Mr. President, in the past several months the United States has become much more conscious of the role of foreign trade and its importance to this Nation and to the free world. Many first became aware of the importance of trade when public attention was given to our imbalance in international payments and the unprecedented flow of gold from our shores.

The problem was clarified when it was explained that the balance of trade—American exports as against American imports—has been in our favor, but that our economic and military assistance programs have more than offset our trade surplus and caused the loss of U.S. dollars and gold. Since we are necessarily committed to continuing these aid programs, it has become clear that the only solution to the situation is through a substantial increase in our exports.

The present administration has moved firmly in this direction, with no little amount of success. Yet, in order to keep pace with changing economic conditions throughout the world, and to enable this country to increase its share of world markets, additional bargaining authority is needed to place our Government negotiators on a par with their counterparts from other trading nations.

The Trade Expansion Act of 1962, proposed by the President, should provide the necessary impetus to our trade program. I believe that this legislation will help provide new and greater markets for our products, strengthen our domestic economy, and thereby give added strength and endurance to our free world trading partners.

I have been concerned, however, by the emphasis which has been placed on our future trade relations with the European Economic Community. There is an apparent effort to tie the need for the Trade Expansion Act in with the probable increase in membership and economic importance of the Community. Without depreciating the importance of the Common Market as a purchaser of American products, I submit that there are further considerations impelling enactment of this legislation.

We cannot make the fatal error of directing all of our attention to Europe. Our allies and friends in Asia, Latin America, and Africa are of equal importance to our military and economic strength. As I see it, the United States should act as a bridge between the Atlantic Community and other free nations of the world who are not connected with the Common Market.

Such tariff reductions as may be achieved in future negotiations between this Nation and the Common Market should also be avaliable to other friendly nations. Reductions granted to Europe will likewise apply to those nations to whom we have granted most-favored-nation recognition. Moreover, and most important, we must make every effort to convince the Common Market to open its doors to the products of these other nations.

Recently, the Committee on Commerce began a series of hearings looking into the trade patterns in the Pacific area. This vast region includes nations on every level of the economic scale. Japan, for example, is recognized as one of the foremost industrial nations, and is the second biggest customer for American

goods and products, following only Canada. Particular attention must be given to the millions of people in the Pacific area who have only recently become independent and are now seeking to improve their way of life. They are no longer content to be have-nots in this age of technology, and are searching for opportunities to raise their standard of living.

Our aid programs are designed to provide self-help for these people, and those in the underdeveloped countries in Africa and Latin America. At the same time, by increasing our trade with these nations, we will materially benefit their economies as well as our own.

The greatest potential for future markets for American products is not in mature Europe, but in those nations now experiencing their first growing pains. We on the west coast, and particularly in my own State of California, have long recognized this potential. We know that our goods will continue to find growing markets in the Pacific Ocean area. Therefore, we will not be satisfied with any trade program which does not give equal emphasis to both the Pacific markets and the Atlantic Community.

I believe that properly implemented, the Trade Expansion Act will enable us to continue to develop and expand our markets in the Pacific. Moreover, we should be able to help these nations find additional markets for their own products.

It is with this in mind, looking beyond our relationship with the Common Market, that I intend to vote for the Trade Expansion Act. The importance of this bill to the underdeveloped nations of the entire free world, as well as to our own economy, cannot be overemphasized.

Mr. BYRD of West Virginia. Mr. President, I want to state my firm support for the Trade Expansion Act. I am frank to say that I have not favored the reciprocal trade program in the past. But, in the words of a familiar hymn, "New occasions teach new duties." In the last few years a powerful new factor has entered the balance; a factor which has altered fundamentally the old circumstance of international trade. In Europe, the common suffering of World War II and subsequent recovery forged the bonds of common purpose which link countries of Western Europe in new understanding, mutual cooperation, and a common market. Our most important trading partners—France, West Germany, Italy, the Netherlands, Belgium, and Luxembourg—have banded together to form a European Economic Community. Several other nations have already applied for membership.

Already, the EEC, or Common Market, has taken steps that affect us here and now. It is in the process of forming a free trading area, within which goods produced in any member country may be sold to any other member free of tariff. At the same time, the member countries are equalizing the tariff rates they charge to outside countries.

These are the same steps taken by the Thirteen American Colonies to permit a free flow of trade across State lines when they formed a federation under the Constitution in 1793. The wisdom of our colonial forefathers set the stage for the vigorous development of our country as a single economic unit and was a crucial factor in making the United States the richest and most powerful country in the world today.

In Europe, the same process has fostered a booming 7½-percent rate of growth of industrial production in the last few years and has increased imports among the member countries by approximately 70 percent since 1958. The Common Market within the framework of free enterprise has created a climate which encourages cautious businessmen to unleash their capital, energy, and ingenuity. We should be proud of our role in Europe's recovery and welcome the Common Market's positive contribution to the economic strength of the free world, even as Mr. Khrushchev condemns and fears it as a further bulwark against the spread of communism. More that that, the phenomenon of European unity, driven forward by the momentum of its own success, confounds the Marxist theory of the warring capitalist empires and undermines Communist efforts to split the West.

At the same time, we should look realistically at the changes which the Common Market will thrust upon our own trading position. The creation of an industrialized trading unit with a population approximating our own and a vigorous rate of economic expansion cannot fail to affect our own commercial prospects.

In the first place, a strong new market for consumer and industrial sales is being born. The gross national product of the Common Market as a whole is expected to rise by 50 percent in the next 10 years. As the incomes and the standard of living rise, and industrial expansion progresses, demand for more products correspondingly will rise sharply. The EEC's consumption of such goods as automobiles, radios, television sets, refrigerators, and washing machines is now only a fraction of what we have consumed in the United States and is bound to increase enormously. For example, in order to reach our own standard of living, the population of the Common Market countries will have to buy about 50 million more refrigerators and 50 million more washing machines.

These are goods we produce best and are used to producing—electrical machinery, office equipment, other plant machinery, home appliances, and the like. And, Europe now is facing a severe shortage of labor, and most of her plants are operating near full capacity. In the years ahead, we can expect that she will have to turn to imports to satisfy a sizable proportion of her bursting demand.

This market is vitally important to us as a nation—to our businessmen, workers, farmers, and other American producers. Last year we sold $3½ billion worth of U.S. goods to the Common Market. That is $3½ billion of orders that our producers would not otherwise have obtained. It accounts for an estimated half million American jobs that we could not otherwise offer. And subtracting a $2¼ billion of U.S. imports from the Common Market, trade in that area alone gives us $1¼ billion of credit on our currently nagging balance-of-payments account.

And this market is vitally important to my own State of West Virginia. Exports of manufactured goods from West Virginia amounted to $156.1 million in 1960; $125.3 million of this total was reported by 71 establishments, exporting $25,000 or more. These exporting establishments employed 58,489 workers, and their exports represented nearly 7 percent of their total value of shipments.

In addition, West Virginia has some of the Nation's richest deposits of bituminous coal. Seventeen hundred mines employ 51,000 of our workers, and exported in 1960 some $100.3 million, amounting to 17 percent of our local production.

I have sketched some of the encouraging prospects which the Common Market will open up for American exporting industries. But we can take advantage of them only if our products are not fenced out of the Common Market by the tariff disadvantages we now face. The Common Market countries are gradually abolishing entirely the tariffs charged on goods sold among themselves. Meanwhile, they are harmonizing their tariff rates on goods that enter from nonmember countries, such as the United States. In not many years, therefore, our European competitors will be able to send their products throughout the Common Market duty-free, while American firms will have to pay duties.

In many cases, this tariff disadvantage will be substantial, and could be crippling to our trade. Our ball bearing manufacturers, for instance, will be charged an 18-percent duty, as opposed to no duty at all for German competitors. Automobile and truck parts from the United States will be levied at 14 percent, or $1,400, for every $10,000 order, while French or German equipment passes duty free.

This would be a severe obstacle, and this is the main reason for the urgency of negotiating the Common Market's external duty rates downward. The Trade Expansion Act would give us the instrument needed to make such bargains. It lowers no U.S. duties in itself; it simply authorizes us to bargain for foreign tariff reductions by offering cuts of our own.

I have been skeptical of reciprocal trade in the past; but if we fail to enact the Trade Expansion Act of 1962, mushrooming markets abroad will be increasingly protected against American goods; we might face the foolish spectacle of our flourishing allies and ourselves engaged in price wars and dumping fights on world markets, offering for exploitation by the Communist bloc a division of immense proportions. With the possibility of steadily rising domestic prices and a declining base for our exports juxtaposed with the widening horizons of our international obligations, the effect of inaction on the trade front could be catastrophic.

In contrast to this dismal picture of increasing frustration and division stands the prospect of the first mean-

ingful partnership in history between the Old World and the New. United, we are a force so powerful as to deal Soviet cold war efforts their severest blow; the underdeveloped countries, in their own self-interest, would be drawn closer to the dynamic partners of the Northern Hemisphere.

I know that this trade legislation will not automatically solve all the problems of American domestic life, nor all the problems of our international relations. But it is a tool that we cannot afford to neglect.

As the President said in his message on trade early this year:

At rare moments in the life of this Nation, an opportunity comes along to fashion out of the confusion of current events a clear and bold action to show the world what it is we stand for. Such an opportunity is before us now. This bill, by enabling us to strike a bargain with the Common Market, will strike a blow for freedom.

The PRESIDING OFFICER (Mr. BURDICK in the chair). All time has expired, according to the unanimous-consent agreement.

Mr. MANSFIELD. Mr. President, in line with the request granted earlier today, I ask unanimous consent that an additional 15 minutes be allotted to debate on the bill, the time to be divided between the Senator from Colorado [Mr. CARROLL], the Senator from Kentucky [Mr. COOPER], and the Senator from Massachusetts [Mr. SMITH].

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. MANSFIELD. Mr. President, I will merely ask for 15 additional minutes. so that there may be a vote soon.

Mr. HOLLAND. Mr. President, yesterday I was necessarily absent. There is one subject in the bill that has caused me grave concern. I should like to have 5 minutes to discuss it before the final vote.

Mr. MANSFIELD. We shall do our best to accommodate the Senator.

Mr. COOPER. Mr. President, reserving the right to object, I point out that I have been waiting since 12 o'clock for an opportunity to speak.

Mr. MANSFIELD. If we cannot have a unanimous-consent agreement, we must vote now. I am trying to obtain an additional 15 minutes.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. GOLDWATER. Why could we not vote now and have the explanations afterward? I am in the unfortunate position of having to catch a plane in 15 or 20 minutes.

Mr. MANSFIELD. The Senator from Kentucky [Mr. COOPER] has been waiting very patiently.

Mr. HOLLAND. Mr. President, I would be perfectly willing to speak after the vote if any Senator has made his plans to get away. I would like an opportunity to express the view of large segments of the fresh fruit and vegetable industry with reference to certain provisions in the bill.

Mr. HICKENLOOPER. Mr. President, reserving the right to object, I ask the majority leader if it would be feasible for any Senator to insert his statement in the RECORD or make a statement and have it appear in the RECORD prior to the vote. Would that be feasible?

Mr. MANSFIELD. It is not unknown.

Mr. HICKENLOOPER. It would be feasible but not practical.

Mr. MILLER. Mr. President, I have a question or two to ask. It will not take more than 1 minute.

Mr. MANSFIELD. If the request is granted, the Senator may then ask his question.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana? The Chair hears none, and it is so ordered.

Mr. CARROLL. Mr. President, I know that the able Senator from Kentucky has been waiting some time to speak. I shall be brief.

I shall vote in favor of H.R. 11970, the Trade Expansion Act.

I have given long and studied attention to this bill and to the challenge which it is designed to meet.

It is only in recent years that America's trade position in the world has received the consideration of the public.

For long a favorable balance of trade was considered a fact of life. For long, the supremacy of the competitive position of most American goods was unquestioned.

With the rebirth of industrial Europe, the formation of the Common Market, and the staggering growth rate of Japan, the situation has changed. American products must now actively compete—both abroad and at home—for their markets.

And they are competing—competing successfully:

In the year 1961 alone, our merchandise exports exceeded our merchandise imports by close to $5 billion, including all shipments of goods from the United States.

COLORADO EXPORTS

In my own State of Colorado, it has been authoritatively estimated exports of manufactured goods in 1960 amounted to $48.4 million. Agricultural exports, from Colorado alone, amounted to $81.7 million.

This means that Colorado sells $130.1 million of its produce abroad every year.

This oversea market is important to my State. It is important to the estimated 9,300 agricultural workers and the estimated 19,130 industrial workers who receive their livelihood from export sales.

As the able Governor of our State, Steve McNichols, has well pointed out:

No longer can the centennial State be viewed as an area rich only in scenic mountain beauty and fertile plains. The world's attention is focused upon the phenomenal industrial growth and unlimited potential of this colorful manufacturing region. Not only is Colorado an ideal site for industrial expansion, but it is a great storehouse of manufactured products available for export to industry.

The world trades with Colorado, and Colorado trades with the world.

This is why I support this legislation—it will provide the President with the negotiating powers he needs to insure that America trades from the very best competitive position possible. This bill puts the intent of the Congress clearly by stating:

The purposes of this act are, through trade agreements affording mutual trade benefits (1) to stimulate the economic growth of the United States and maintain and enlarge foreign markets for the products of U.S. agriculture, industry, mining, and commerce.

Some people have misunderstood parts of this measure.

CONGRESS RETAINS POWER

It is said by some that Congress has totally abdicated its tariff making authority. This is not so.

The Congress may revoke any or all of this bill at any time.

Should the President not choose to act upon a recommendation for higher tariffs made by the Tariff Commission because of domestic injury caused by foreign imports, the Congress by a constitutional majority vote may require him to do so.

The bill prevents the cut of any tariff on any article for which there is an outstanding proclamation of the President under the escape clause provisions of current law.

This means that the domestic lead and zinc industry will in no way be affected by this legislation except as it may stimulate exports of products made from lead and zinc.

The President may not reduce the tariff on any article which the Tariff Commission has found under existing law by majority vote that imports were seriously injuring the domestic industry.

The bill retains the national security provisions of the present act. This means that our domestic oil industry will not in any way be affected by this legislation because of national security reasons.

IMPROVEMENTS IN PRESENT LAW

In many ways this legislation improves upon existing law in this field:

First. This bill retains a strong escape clause, which provides that an industry is entitled to a "reasonable" profit. Thus, to qualify for escape-clause protection, it will not be necessary that all companies in an industry be operating in the red.

Second. This bill embodies the principles of the Muskie orderly marketing amendment, giving the President authority to negotiate itemized trade restriction agreements. This provides an alternate method of obtaining relief from excess foreign imports.

Third. This bill embodies the amendment of the Senator from Georgia [Mr. TALMADGE], which gives the President unlimited power to raise tariffs and to impose import quotas if he deems it in "the national interest."

Fourth. It includes the amendment of the Senator from Delaware [Mr. WILLIAMS], which empowers the President to ban imports on farm products in retaliation against foreign bans on American farm products.

Fifth. This bill adopts an amendment offered by the Senator from Illinois [Mr. DOUGLAS], which gives the President specific tariff-raising authority with which to counter the protectionist actions of other countries. It is thought that this

will give the President the wherewithal to see that the Common Market accepts Japanese goods, so as to relieve to a reasonable extent the burden which such goods have caused in recent years on some of our domestic markets. This amendment will also assist the President in his efforts to obtain fair tariffs from Europe for American farm products.

Because of the foregoing safeguards, Mr. President, I am supporting this measure. It will strengthen the authority of the President and of the country at the bargaining table. It is my confident expectation that it will enable him to obtain meaningful concessions that will assure the maintenance—and, I hope, the expansion—of U.S. manufactured goods and agricultural products.

LIVESTOCK INDUSTRY

It is most important that in these negotiations full regard be given to the interests of American producers who must meet the competition of foreign imports on our domestic market.

In this regard, let me call the attention of the Senate to the problems of our domestic livestock industry. The U.S. market has long been available to foreign producers who have had to overcome only moderate import duties levied on their products. American producers have been faced with increasing competition from imports during recent years.

Imports of beef and veal in 1961 totaled 1,038 million pounds, carcass weight, compared with 775 million in 1960, and 1,063 million in 1959. Imports during the first half of this year continue at these high levels.

Imports of boneless mutton in 1961 totaled 55.8 million pounds, an increase over the 37.3 million brought in during 1960. Mutton imports continued to increase in 1962. In the case of lambs, while current imports are below the high levels of recent years, they continue substantial.

I have consulted with officials in the Departments of Agriculture and Commerce in my efforts to insure that the bill before us contains adequate safeguards for the legitimate interests of the American livestock industry. I am assured that the bill does contain such safeguards and I look for their proper implementation to carry out the intent of the Congress.

ECONOMIC SAFEGUARDS

There are three safeguards embodied in this measure. The first is the investigation of economic peril which must be undertaken by the Tariff Commission before the President can enter into tariff negotiations with foreign governments. The Commission must hold public hearings, gather full information and then advise the President as to the probable economic effect upon domestic industry of a modification of the duty upon incoming articles.

The second safeguard is the escape clause, which I have mentioned above. The bill before us makes a change in the present law that is of partciular interest to the U.S. livestock industry. Existing law lays down a narrow standard for determining whether an imported article is directly competitive with a domestic article. For example, the Tariff Commission turned down an application for escape clause relief filed by domestic sheep growers because it considered that under existing law, imported lamb and mutton were not directly competitive with domestic live sheep. Under section 405(4) of the bill before us, this imported article would be deemed "directly competitive" with the domestic article even though it might be at an earlier or later stage of processing.

The third safeguard available is that embodied in Section 352 which gives to the President discretionary authority to enter into orderly marketing agreements with foreign governments, limiting their exports to the United States where such agreements offer an appropriate device to prevent or remedy serious injury to domestic industries found to be injured under the escape clause procedure.

Mr. President, the industries of my State, their executives and their workers have studied this bill. I have consulted with labor leaders, business executives and government officials of my State.

I believe that the great majority of all of those with whom I have consulted endorse the purposes and intent of this bill. It is not perfect, but this is not the last word. We, in the Senate, and I am sure our colleagues in the House, intend to keep close watch on our international trade position and on the sales of foreign made products upon domestic markets.

I am determined, and I am sure the Congress joins me in this determination, to see that American products are marketed in the best of possible circumstances; that our competitive position is improved, our markets expanded and our trade with other nations conducted in a healthy and vigorous manner.

Mr. President, I ask unanimous consent that a few of the many thoughtful and enlightening letters which I received from interested persons in Colorado may be printed in the RECORD at this point, for the benefit of Senators.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

DENVER CHAMBER OF COMMERCE,
Denver, Colo., August 10, 1962.

Hon. JOHN A. CARROLL,
Senate Office Building,
Washington, D.C.

DEAR SENATOR CARROLL: Attached is a copy of the report of the national affairs committee of the Denver Chamber of Commerce, subject: H.R. 11970. The report was approved by the board of directors of the Denver chamber at its regular meeting on Friday, August 10, 1962. A telegram regarding this action has been forwarded.

Respectfully yours,

SHELBY F. HARPER,
General Manager.

AUGUST 1, 1962.

Report to: The Board of Directors of the Denver Chamber of Commerce.
From: The National Affairs Committee.
Subject: Trade Expansion Bill, H.R. 11970.

The European Common Market is one of the most significant developments among the nations of the free world since World War II.

It has helped to strengthen economics of those nations signatory to the Rome treaty to such an extent that during the period 1955 through 1961, the average growth rate in gross national product in Europe was 4.2 percent. The growth rate in the United States for the same period was but 2.2 percent.

This new economic vitality of our European friends is bound to be a major defense against economic aggression from the Soviet bloc.

The European community also presents new economic competition to U.S. products and services—a challenge to our industry, leading us to innovation, research, cost reduction, improvement of efficiency in every direction.

For our own economic welfare as a nation, the United States must trade, compete, and invest worldwide.

In competing with our friends and allies, one of the essentials is the progressive lowering of trade barriers—both our own and those erected by others. This is the road to expanding world markets for our industrial and agricultural products.

The Denver Chamber of Commerce believes that the administration's Trade Expansion Act proposal, as embodied in H.R. 11970, is the first step toward this Nation's successfully meeting the challenges of Europe's Common Market nations.

The chamber's support of the administration's trade bill is made with the realization that Colorado has a substantial interest in foreign trade. Exports of manufactured goods from Colorado in 1960 (the last year for which statistics are available) amounted to $48.4 million. Twenty-one Colorado establishments each exported more than $25,000 in the same year.

Colorado's agricultural products exports in the 1960–61 crop year amounted to $81.7 million. It is estimated that about 9,300 Colorado farmworkers may be attributed to the production of these farm products that were exported.

We have one serious reservation with respect to this bill—that part providing for the federalization of unemployment payment to workers in industries damaged by the lowering of tariffs. We strongly recommend that all unemployment payments be administered under existing State laws.

In considering our needs to expand our worldwide trade activities, including foreign investments, certain tax proposals pending in Congress relative to the taxation by the United States of earnings of U.S.-owned foreign corporations, seem contrary to the encouragement of such foreign investment. Particular reference is made to a proposal to tax foreign earnings not distributed as dividends but reinvested for expansion of foreign facilities. Such proposals would make it impossible for American business to compete with their foreign counterparts.

Such tax proposals defeat the principle of competing worldwide with our Common Market friends.

In endorsing the passage of H.R. 11970, the Denver Chamber of Commerce also recognizes that Congress should be consistent in its intent to encourage our worldwide trade activity, by opposing those tax proposals that are mentioned as contrary to meeting our foreign trade obligations.

Respectfully submitted.

ROY ERICKSON,
Chairman, National Affairs Committee.

PUEBLO, COLO., *July 2, 1962.*

Hon. JOHN CARROLL,
U.S. Senate,
Washington, D.C.

MY DEAR SENATOR CARROLL: The League of Women Voters of Puebo urges your support

of the Trade Extension Act of 1962 soon to be presented on the floor of the Senate.

As you know, this bill has had bipartisan support and recently passed in the House by 298 to 125. It will give the President broad tariff-cutting powers for bargaining with the booming European Common Market. It would also carry out a new program of trade adjustment assistance for workers and businessmen injured by increased competition due to imports.

The league has for many years supported a more liberal trade policy for the United States.

Yours very truly,
Mrs. ROBERT L. MARSH,
Foreign Policy Chairman,
League of Women Voters.

LEAGUE OF WOMEN VOTERS,
Boulder, Colo., July 4, 1962.

Hon JOHN A. CARROLL,
U.S. Senate,
Senate Office Building,
Washington, D.C.

DEAR SENATOR CARROLL: Having studied foreign trade for several years, the members of the League of Women Voters are very happy to see the Trade Expansion Act pass the House of Representatives. We shall be watching its progress through hearings and debate in the Senate very closely. Although our community is not as actively engaged in foreign trade as some, we are very much aware of the importance of trade to the whole economy and to the national interest.

We hope that you will be among those Senators who support the Trade Expansion Act and urge its speedy passage, so that trade negotiations with the Common Market countries will not be any longer delayed.

Sincerely yours,
SYBIL S. DOWNING
Mrs. Mancourt Downing,
President.

LEAGUE OF WOMEN VOTERS
OF DENVER,
Denver, Colo., July 31, 1962.

Hon. JOHN CARROLL,
Senator From Colorado,
Senate Office Building,
Washington, D.C.

DEAR SENATOR CARROLL: The League of Women Voters of Denver strongly urges your support of the Trade Expansion Act. Our membership, after a year of nonpartisan research and study, hope to see the following basic principles incorporated in our trade legislation:

1. A liberal trade policy which reduces tariffs and all other barriers on a systematic basis.

2. Presidential authority for across-the-board, long-term powers to negotiate.

3. A continuation of our most-favored-nation clause and the principal of reciprocity (exceptions being made for developing nations if needed).

4. Trade adjustment assistance for industries and workers proved hurt by import competition.

In our opinion, the U.S. economy will thrive under the stimulus of increased foreign trade—more jobs, dollars, and productivity will result. Equally important, the Trade Expansion Act will unify and strengthen the Western alliance and win approval among developing nations who urgently need access to world markets.

The United States will undoubtedly suffer some pains of adjustment and shifting of resources in the face of increased imports. Yet our Nation has traditionally believed in free enterprise with its element of competition. Our businessmen have accepted change also and have capitalized on it. With this same ingenuity and energy, Americans can find opportunities in our new trading position—especially with the Common Market.

We sincerely trust that our legislators will consider the new trade bill not on behalf of Democratic or Republican constituents, or local businessmen or workers, but from the standpoint of what is best for our Nation—whose welfare is, in the long run, synonymous with the peace and prosperity of our free world partners.

Sincerely yours,
CAROLYN STARBUCK,
President.

LEAGUE OF WOMEN VOTERS,
CHERRY HILLS VILLAGE, COLO.,
August 1, 1962.

Hon. JOHN A. CARROLL,
Senate Office Building,
Washington, D.C.

DEAR SENATOR CARROLL: As you know, the League of Women Voters has concluded its current portion of the trade study with a strong consensus in support of the Trade Expansion Act of 1962. We think you will be interested to know that the Cherry Hills League, in its own study, concurs in this stand.

We have given serious thought to all aspects of the trade question. For example, we have noted that Colorado's equivalent share in U.S. total exports of $4.9 billion of agricultural products was $81.7 million in the 1960–61 crop year, and that exports of manufactured goods from Colorado amounted to $48.4 million in 1960. Were we to lose our foreign markets for these products, our economy would suffer severe hardship. The six countries of the Common Market are among our best customers and offer an increasing potential. U.S. exports to the Common Market in 1960 soared 42 percent over 1959 levels.

We are enclosing a flyer on trade prepared by Colorado leagues for distribution at the trade conference held May 24 at the University of Denver. We hope you will find it of interest.

We strongly urge your support of the trade bill.

Sincerely,
Mrs. DONALD F. MARLER,
President.

THE LEAGUE OF WOMEN
VOTERS OF DURANGO,
Durango, Colo., June 17, 1962.

Hon. JOHN CARROLL,
U.S. Senate,
Washington, D.C.

DEAR SENATOR: Thank you for taking the time to visit with the league when you were in Durango during May. The membership was very pleased to have had this opportunity to meet you and hear some of your views. You will always be a welcome guest when you are in this area.

I am enclosing a pamphlet which contains an insert showing the importance of foreign trade to the mountain plains region. You are well aware that the league has supported an expanded trade policy with decreasing barriers through the years. During the past 2 years, local leagues all over the United States have been engaged in another concentrated study of trade. Our support position is printed on the back of the enclosed folder.

The Durango League recognizes that certain local enterprises might be hurt by this act; however, the proposed Trade Expansion Act does provide for adjustment assistance. In the league view, such assistance when limited in time and scope is preferable to measures which restrict trade.

It is our hope that you will support the Trade Expansion Act.

Sincerely yours,
MARJORIE VLASMAN
Mrs. Andrew Vlasman,
President.

THE EVERSMAN MANUFACTURING CO.,
Denver, Colo., August 31, 1962.

Senator JOHN A. CARROLL,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CARROLL: In receipt of your letter dated August 22 concerning the Trade Expansion Act, H.R. 11970, we here have been completely sold on the objectives of the Trade Expansion Act and so has the exporting fraternity in Denver. I am attaching hereto a copy of the letter the World Trade Club of Denver, of which I am president, sent to Mr. Charles P. Taft, general counsel, Committee for a National Trade Policy on March 21. We polled the membership of the trade club, per attached of March 14, and roughly 100 members gave complete endorsement with only one dissent. All manufacturers in Colorado appear to be strongly in favor of the objectives of H.R. 11970. Even among the mining fraternity a majority of the commercial producers particularly Climax, which exports such a very large percentage of its product, approves of the legislation. In this sector only the mine lease brokers seem to be opposed to the legislation.

In answer to your specific questions:

1. Eversman exports between 15 to 23 percent of its product.

2. In our particular field, foreign imports have in no way affected us. We welcome, on the other hand, an influx of foreign goods since competition from foreign sources enables us to considerably improve our purchases of supplies going into our products on the one hand and also gives us a bigger choice and selection in manufacturing tools, enabling us to utilize our capital to better advantage, by purchasing lower cost and more productive machinery as is commonly available at this time in the United States.

3. Under the circumstances, we are completely sold on the objectives of the Trade Expansion Act and hope that same will be enacted without enfeebling riders. I trust that you are well aware of the fact that our position in world markets is, by no means, as strong as some of us may wish it to be and the very drastic and painful reaction by the E.E.C. Council in June in retaliation to recent duty increases on carpets and plate glass imposed by the United States sets a precedent which cannot be ignored. Prompt levying retaliatory duties should give warning to the United States of European determination. This highlights also the damage which pressure groups, serving their own limited interests, can do to the country as a whole. For this reason I urge you not to let narrow parochial considerations damage the grand concept of the bill by enfeebling riders, exceptions, etc.

4. Colorado already has a very considerable stake in the flourishing of export markets. There are very few if any industries which could be hurt by foreign goods coming into this State, excepting the mining and wool industries, which appear to me at least to be amply protected already. Every industry in Colorado has a definite strong self-interest to see the Trade Expansion Act become a law as quickly as possible.

I wish to thank you for giving us an opportunity to express our thoughts to you.

Very sincerely yours,
F. L. BLIGH.

THE MONAGHAN CO.,
Denver, Colo., August 31, 1962.

Hon. JOHN A. CARROLL,
U.S. Senate, Washington, D.C.

DEAR SENATOR CARROLL: I wish to thank you for your recent letter, concerning my views on the Trade Expansion Act, bill H.R. 11970.

First, and in general, I would like to say that I am in basic accord with the statements made by William L. Clayton and Christian Herter that our country must be

closely linked economically with the industrial European Community (the Common Market).

Our own company manufactures medical equipment—more specifically anesthesia and respiratory equipment, having been started shortly after World War II.

Our company grosses somewhat less than a million dollars sales a year from all sources, with approximately 5 percent derived from foreign sales. Needless to say, our main foreign competition is German and British in oversea markets. Price and credit are the principal factors in these markets. American-made equipment in those markets is generally well regarded and is considered to be of high quality.

As of this time, it does not appear that either British or German equipment would pose a serious threat in the home market, even if tariffs were substantially reduced. Generally, we have a very protective rate—45 percent. However, our industry would have to continue to make substantial technological progress to offset any threats.

Needless to say, our company is making a substantial effort to increase foreign sales. Our methods being to grant as liberal discounts and to extend as favorable credit terms as possible. We would welcome a lowering of European tariffs, but in addition, there must be a lowering of other import quotas and restrictions imposed on American equipment or the mere lowering of tariffs will have little or no beneficial effect. These latter are probably more restrictive than tariffs per se. For example, in Great Britain there is a basic import duty of 22 percent on our type of equipment, but within the discretion of the customs department there is an add-on proviso so that the British importer can never be sure how much his cost will be until he actually receives the goods. That is a very strong deterrent to importation.

In any reciprocal bargaining granted the executive branch, such corollary programs of the OEC must be taken into consideration.

Being too protectionist will certainly be against American self-interest, but being naive will be equally so.

Yours very sincerely,

PIERRE CHAPPELL,
President.

B. K. SWEENEY MANUFACTURING CO.,
Denver, Colo., September 4, 1962.

Hon. JOHN A. CARROLL,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CARROLL: Thank you for writing to us in regard to the Trade Expansion Act which is now under consideration by the U.S. Senate.

From a national point of view there seems to be very little disagreement with the act as proposed and it is hoped that the Congress will not cripple the act with a series of disabling amendments.

The question of the federally sponsored unemployment insurances does not seem to have any particular connection with trade expansion and should probably be handled elsewhere.

As regards to industry in Colorado, with two major exceptions, the majority of firms are so highly specialized that the expansion in trade will be a great deal more benefit than hindrance.

Because of competition from the rest of the country, it has been pretty well rationalized by most manufacturers that they must either live under the freight umbrella here in Colorado or must be so specialized that freight does not enter into the picture. The brick manufacturers are a good example of those who live under the umbrella, and I believe that our operation is a typical example of those who have taken the specialty route.

For example, most of our goods are shipped out at from $2 to $10 per pound and can be sold in Australia or South Africa without freight making much difference in the delivered selling price.

I know that the issue is not freight, but it has an important byproduct. In so designing our products, we have put a large percentage of the cost into engineering and a relatively small percentage into labor. Thus, if we are selling in Italy in competition to German-made goods, the labor factor is so small that we can compete very favorably because of our superior design. In fact, in many cases our design is so far advanced that there is no active foreign competition at all. Thus, the reduction of tariffs and trade barriers could only be a benefit to us and to the many firms in Colorado that have followed this course.

The obvious exceptions mentioned above are the steel industry and the sugar industry, but these are special cases and I am sure their views are well presented to the U.S. Senate.

Sincerely,

JOHN F. SWEENEY,
President.

Mr. COOPER. Mr. President, I support the Trade Expansion Act of 1962, as I have supported extensions of the Trade Agreements Act in the past.

It has occurred to me that in some respects the task of enacting the extension and revision of the Trade Agreement Act 4 years ago was more difficult than the passage of the present act. This is true, I believe, because at the time the Common Market was unformed, and its powers and influence on U.S. trade were not clearly seen. Yet I do not derogate the work that has been done in the passage of the present bill. The members of the Senate Finance Committee under the leadership of the senior Senator from Virginia [Mr. BYRD] as well as the members of the Ways and Means Committee of the House deserve full credit and congratulations for their work. The passage of the bill is a signal achievement of the administration and the Congress during the present session.

Today the Common Market is a reality. Its present members buy $3.5 billion of the total of $20 billion of U.S. exports. If Great Britain and the Outer Seven enter the Common Market, they could account for $7 billion or $8 billion of the total of $20 billion of products exported by the United States—33½ percent to 40 percent—and in time a larger proportion of our dollar exports.

I think, therefore, it is imperative that the President of the United States be armed with the necessary power to negotiate with the Common Market countries, as the bill provides.

Maladjustments will occur. Perhaps the adjustments provided in the bill may not be wholly effective. But, if so, amendments can be offered in the future to make the provisions of the bill more adequate. But even with maladjustments, unfavorable to some industries and to workers, there is no reasonable alternative to the enactment of this bill. We must provide this opportunity for the expansion of industry and jobs in our country, for, if we cannot trade, we shall be isolated economically.

I strongly support the bill because I believe it will give great opportunity to make gains in the field of foreign policy. Our military strength and advancement in space and, in fact, our leadership in the world, depend upon our economic strength, and therefore upon trade for if we cannot trade and that means export trade—we shall be isolated economically. The gross national product of the United States and the Common Market countries, when combined, is twice that of the Soviet Union and the Communist Chinese bloc.

The importance which Russia attaches to this development and to fear of its strength can be seen in the strictures and fulminations of Mr. Khrushchev against the Common Market, against the entry of the United Kingdom, and the association of the United States, which the bill proposes.

The Common Market, with the association of the United States and the Outer Seven, will represent a center of attraction to the developed areas as well as to the undeveloped countries of the world. It can provide an example of a healthy, progressive economy, which is most attractive to the world, developed and undeveloped.

We hope that this association will be more than an example. We hope that from this center of economic strength, its members will provide to less developed countries, a part of the burden of aid which the United States now provides.

What of the future? We do not yet know whether these objectives will be realized. But, in addition to the economic growth and development which we have witnessed in Europe as a result of the Common Market, and which we anticipate will increase when the United States becomes more closely associated with it, I think it is important to note the possibilities of growing political association in Europe, and in tune with our country and hemisphere.

Under the Marshall plan the European countries joined in OEEC, and worked together in the preparation of plans to participate in the aid furnished by the United States under the Marshall plan.

In 1950, at the second council of ministers of NATO, I had the honor of proposing the admission of the Republic of Germany to the OEEC as a step toward West Germany's union with NATO and the European countries. Later, we saw the development of the Steel and Iron Community, Euratom, and other associations in which European countries have given up a portion of their sovereignty. The entrance of the Outer Seven into the Common Market may signal an even larger political association in Europe.

I am not here today to say that the association of the United States with the Common Market will lead to our political association with Europe. But who can say that in time it will not gradually develop in some limited form? I am persuaded that the security of the United States and Europe, and free countries everywhere, freedom and any chance for a true peace, will depend in great part upon some type of union between the democratic countries of

Europe, the United States, and Canada, and, we hope, the countries of the Western Hemisphere. I may be looking too far into the future. But today in addition to immediate objective of assuring an economic growth in the United States, I see economic association and unity leading to a larger political association in Europe. And it is entirely possible that in time the association of the United States with the Common Market will develop into some kind of a limited political association, which I believe may be essential to guarantee the survival and growth of liberty, freedom and democracy in the world.

Our policy must embrace concepts larger than the aims of one nation. It must form the resources, skills, democratic spirit of the free countries of Europe, the United States, Canada and other free countries in the Americas—and ultimately, perhaps, free nations in some type of political associates or union in which democratic power—as well as spirit can be reborn.

Mr. CURTIS. Mr. President, I ask unanimous consent to have printed in the RECORD at this point my individual views, as printed in the committee report.

There being no objection, the individual views were ordered to be printed in the RECORD, as follows:

INDIVIDUAL VIEWS OF SENATOR CARL T. CURTIS ON H.R. 11970

This measure goes far beyond the existing trade agreements program and I do not favor its enactment in its present form.

The European Common Market is a very desirable entity. It will lead to greater unity among the nations of Europe; it will elevate their economies and strengthen their political ties. It is a fortress against international communism and our national policy should be to encourage and to cooperate with the Common Market. The bill presented by the committee will not, in my opinion, be mutually advantageous to the United States and to the European nations. Both need each other and whatever weakens the United States weakens Europe.

Under the trade agreements program existing for more than a quarter of a century the Congress has delegated its constitutional powers to levy, modify and repeal taxes, and its powers to regulate portions of our commerce to the executive. In the past there have been certain limitations in this delegation of power. In most recent years the Congress has provided for safeguards such as the peril-point and escape-clause procedures. The measure before us departs from all these previous concepts.

Our reciprocal trade program of the past is not free of criticism. The United States has allowed foreign countries to impose many nontariff barriers against us such as quotas, embargoes, import licenses, unreasonable inspection, variable import fees, currency manipulations, and other harassments. In the past the Congress has authorized the President, in his negotiations, to lower tariffs by 50 percent. Under the successive acts passed, the United States has bargained away 80 percent of its tariffs and bargaining power. The result is not praiseworthy. The average U.S. tariff on dutiable goods at present is 11 percent while the average for other major industrial nations is 14 percent. Many important examples are in greater contrast—for instance, the tariff on European cars sold in the United States is 6½ percent and the tariff on American cars, under EEC proposals will soon be 22½ percent. Many other unfair situations can be cited especially in connection with our agricultural products. Candy is a widely consumed item and is made entirely from agricultural products. We permit candy to come in from Switzerland, France, Germany, or England under a tariff of 14 percent. American-made candy shipped to many of these nations faces a tariff of 30 percent. The farmers want to trade with the Common Market countries. We are the world's most efficient and lowest cost producers of agricultural products. Under the variable duties now in effect within the Common Market countries, the products of American farmers face a tariff in the Common Market countries, as of August 1, 1962, at least six times as high as corresponding tariffs on identical items imported from the Common Market into the United States. In addition to the inequality of tariffs facing the United States, we meet continually countless instances of the imposition of nontariff barriers mentioned above.

It is my belief trade negotiations can be carried on that would be mutually advantageous to the United States and to other countries. It must be a two-way street. The only safeguards remaining in the bill before us are ineffective. Discretionary power is given to the President, without limitation, to raise tariffs, to any level or to impose any other trade restriction. These provisions are not guidelines for negotiation. They will be applied, if at all, after the fact. They will subject the President to innumerable requests and pressures from deserving industries at home and will create ill will for the United States within foreign countries if they are ever applied.

The bill before us eliminates the peril-point procedure. No longer will the Tariff Commission, after it has made its studies, advise the President before the negotiations at what point injury might occur. This measure abandons the policy of economically sound increased trade and proceeds upon an admission that negotiations will be consummated to the injury of segments of our economy. The escape clause is shorn of effectiveness in existing law.

The powers delegated to the President are vastly greater than the powers heretofore delegated. He may, through negotiation, lower all tariffs from their present level, a level lower than almost any other country, by an average of 50 percent. An additional list of commodities is subject to being lowered more than 50 percent—in fact down to zero. The President is specifically authorized to negotiate away all tariffs now less than a 5-percent ad valorem equivalent. In these two latter categories of additional power will rest many of our agricultural products.

Prior acts had, as their goal, an expansion of trade and an increase of jobs. This measure substitutes a Government managed economy for the United States and for foreign countries with shocking disregard for business and employment results. The bill sets up a superunemployment compensation system in addition to individual programs of our 50 States. It is another major step toward federalizing our unemployment systems. The bill permits workers or management to seek a finding that they are injured by imports. A worker so found to be unemployed by the reason of imports will be entitled to unemployment compensation for 52 weeks at approximately 65 percent of his salary. This will amount to almost twice the average rate of unemployment compensation paid by our States. He will receive these benefits for 52 weeks, a longer period than is provided by most State unemployment compensation systems.

If this Federal unemployment compensation system becomes the law it will bring about many inequalities and many instances of unfairness. A person whose unemployment is caused by the Executive granting concessions to destroy his job will draw a higher rate of unemployment compensation, for a longer period, than his neighbor who is secondarily unemployed because his employment was based upon goods or services provided to the business which closed because of imports. Attention is called to the testimony in the hearings of longtime, well-qualified administrators of State unemployment compensation systems who testified against this provision of the bill.

This measure is defective in its unprecedented and far-reaching delegation of power. It is lacking in that it fails to provide guidelines before agreements are entered into with foreign nations to protect the United States from arbitrary barriers or to protect the U.S. domestic market from excessive and uneconomic imports. The measure should be materially revised or delayed until January when such revision could be made.

CARL T. CURTIS,
U.S. Senator.

Several Senators addressed the Chair.

The VICE PRESIDENT. Several Senators are addressing the Chair, the Senator from Minnesota among them. The Chair recognizes the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, I speak in support of the Trade Expansion Act of 1962. It is needed as a vital part of our domestic and foreign policy.

Without our fully realizing it, the movement toward European economic and political unity has snowballed until today it is one of the most prominent—if not the most prominent—feature on the international landscape. The accelerated momentum of the European idea has taken the United States somewhat unawares, despite our warm sponsorship of European integration ever since World War II.

In the immediate postwar era, the United States must have appeared, in relation to Europe, like a mother hen standing guard over a brood of frightened, wet, bedraggled chicks. Exhausted by mankind's greatest conflict to date, Europe was in no condition to stand up by itself to aggressive communism or to give itself the needed impetus to economic recovery.

Now all that is a thing of the past. Yesterday's chicks have come of age. Individually, the nations of Western Europe have demonstrated enormous productive and managerial capacity. Some countries—such as West Germany and Italy—have expanded their economies at a rate more than twice that of the United States. Others, such as politically troubled France, have used their internal resources so effectively that U.S. experts are inquiring as to whether the European success story can be emulated on this side of the Atlantic. Overshadowing all other achievements has been the flourishing European Common Market—that great area of progressively freer trade which now comprises six nations in the industrial and cultural heart of Europe.

Proceeding gradually—and not without controversy and heartache—the Common Market has evolved into an economic trading bloc which already stands on its own feet as a formidable economic entity. Early this year, the

Six agreed upon their transition to the second stage of the Common Market, which means the eventual formation of a genuine free trade area, with a common external tariff policy and no internal trade barriers. In view of this development the United States has had to consider vigorous measures—measures not of reprisal or resistance but measures of adjustment and accommodation Foremost among these has been the President's proposed "Trade Expansion Act of 1962," a progressive new departure from the old Reciprocal Trade Agreements Act, which the Trade Expansion Act is designed to supplant. The new trade expansion bill has successfully—indeed, with flying colors—hurdled partisan obstruction in the House of Representatives and now awaits favorable action by the Senate. Of all the principal measures of the 1962 Kennedy program, the trade bill stands the best chance of passage in the form desired by the administration.

The Trade Expansion Act as reported by the Finance Committee merits strong support and adoption by the Senate. H.R. 11970 merits this support because of what it will do to strengthen our own economy and to help realize a number of important goals in our relations with friendly countries. In the past, the trade agreements program, which has been extended on 11 occasions under both Democratic and Republican administrations, has contributed immeasurably to the strength and growth of our economy and to the economies of our free world trading partners. It has become a true national policy. The Trade Expansion Act retains the basic principle of the trade agreements program—that the growth of open and nondiscriminatory trade is beneficial to all nations—but provides the means to implement this principle in the light of the challenges and opportunities facing us in the 1960's. This new legislation deserves the same bipartisan support.

Rather than describe in general terms the merits of the bill before us and the benefits which will flow from its enactment, I would like to discuss three aspects of the measure which I feel are of outstanding importance. These are the necessary additional authority granted to the President, the economic opportunities available to us in the European Common Market, and the trade adjustment assistance program.

With regard to the first—the new authority which this act would delegate to the President: There are those who charge that the Trade Expansion Act would result in the full and complete abandonment of the constitutional authority of Congress to regulate tariffs. This act would do nothing of the kind. What it does is to continue for a limited fixed period the delegation of authority to set tariff rates within limits defined by Congress and with well-established safeguards that has been in effect since 1934. The Trade Expansion Act does increase the President's authority to reduce tariffs in negotiations designed to achieve reciprocal benefits and increase trade. But the Congress has clearly defined in detail the procedures necessary to develop a negotiating list of goods and by which various items may be reserved from negotiations. The Congress has also retained the right to review the President's decisions on escape clause actions and to overrule these by a majority, not a two-thirds vote as exists in current legislation. It could well be argued that these limitations are more detailed and more stringent than under the reciprocal trade program.

What have been the results of this delegation of authority; and why must it be continued.

The United States has not achieved its commanding position in foreign trade by cowering behind high tariff walls. We began long ago to negotiate down our trade barriers and let the commerce of the world come to our doors. In return for our concessions, other nations have made it possible for our own goods to reach their markets more easily. The results of these reciprocal moves are easy to see; the United States is now the greatest trading country in the world; our imports have increased tenfold, from $1.4 billion in 1933 to $14.4 billion in 1961, while our exports have multiplied 12 times, from $1.7 to $20.1 billion. There is no segment of our economy which does not in some way benefit from foreign trade. There can be no doubt that the present trade agreements program has served this country well. But this 30-year-old law shows the strain of coping with the trade of the sixties in terms of the thirties. Now is the time to replace the old trade agreements mechanism by a plan tailored to today's realities and tomorrow's expansion. We must act quickly if we are to retain our leadership in our relations with our free world trading partners.

Among these trading partners none will be of greater importance to us in the future than the new community of nations arising across the Atlantic, the European Economic Community.

I have heard it said that while we welcome the emergence of the Common Market, it creates problems for us. It does create problems, but it will create a great many more problems if this bill is not enacted. Consider for a moment the tremendous economic potential opening up on the European continent for American producers, who know no equal in producing for a mass market. The six present members of the Common Market already have a population approximating our own and a gross national product about half ours. Negotiations will shortly be resumed looking toward membership of the United Kingdom in the Common Market; and several other European countries have applied for membership. I am confident that within the foreseeable future the result will be an integrated economy comprising from 250 to 300 million people with a productive capacity approaching our own.

These European countries are now experiencing the explosion of demand for consumer and other goods we have long known, and this will continue. If we are really interested in selling, and I believe we are, there is tremendous opportunity there, for someone will have to sell a great deal of merchandise before the Community reaches our level of saturation. According to recent statistics 95 out of every 100 Americans have a radio; in the EEC the corresponding figure is 23 out of every 100. For passenger cars the comparative statistics are 34 against 7, for television sets 29 against 4, refrigerators 28 against 6, and washing machines 27 against 6. Any salesman viewing these figures would have no difficulty in determining where to direct his sales efforts.

To capitalize on this opportunity, to expand the $3.55 billion in exports which we shipped to the EEC last year, it is essential that the negotiating authority contained in H.R. 11970 be granted to the President. For if this is not granted our exporters will be faced with an ever-increasing cost disadvantage as tariffs within the Community move toward total elimination.

My examples so far included only manufactured items, but I would be a poor representative of my State if I did not also mention the great interest of farmers in world markets.

AGRICULTURE AND THE TRADE BILL

Mr. President, I wish to make some observations on the Trade Expansion Act and the effects it can have on U.S. agriculture and agricultural exports.

Several factors—including a vigorous market promotion program carried out jointly by the U.S. Department of Agriculture and industry groups—redoubled efforts to negotiate favorable trade access terms—prosperity in dollar markets abroad—were responsible for our agricultural exports setting new records in both value and volume in the fiscal year ending June 30.

These exports reached $5.1 billion, and significant in this is that sales for dollars accounted for most of the gain over the $4.9 billion exported during the previous fiscal year. Our dollar sales were approximately $3.5 billion, which also is a record. Food for Peace exports were valued at $1.6 billion.

With the passage of the Trade Expansion Act, we will have the machinery to further expand our agricultural exports. With this expansion we will be taking the most desirable, the most efficient, the best of all possible roads to reducing and eliminating our own agricultural surpluses—raising the income of our farmers and those dependent on farm income for their livelihood—and helping our less fortunate friends abroad who are suffering and dying because they have little or nothing to eat.

But the passage of this act, Mr. President, does not carry with it an automatic increase in agricultural exports, just as it does not mean more sales abroad for industry. It can be our most important legislative measure designed to benefit our agricultural areas.

The act itself is a ray of hope, a bright shining light which must be put to use before we can gain by it. It is like a waterfall, which is a great potential source of energy, but without the power plants it cannot provide light for the smallest bulb.

The Trade Expansion Act of 1962 will give the United States the flexibility it needs to deal with other nations on trade

access matters, including agricultural trade. But with its passage we must devote our full efforts to market development, which is one of the big challenges and opportunities for putting the Nation's agricultural abundance to use.

The teamwork which has developed so rapidly and so well in recent years between Government and the private agricultural and trade organizations must continue and be coupled with the greatest ingenuity and skill in order to take full advantage of the potential that exists. It is highly interesting and significant that foreign markets are going to expand much more rapidly than markets in our own country.

Between 1950 and 1960 domestic markets grew about 14 percent while farm exports increased 84 percent. I ask unanimous consent, Mr. President, to insert at this point in my remarks a chart showing major increases in fiscal year 1962 over the 1961 fiscal year. I call particular attention to the phenomenal rise of 30 percent in feed grains, 33 percent in poultry meat and 47 percent in protein meal.

All of these commodities are of major importance to the economy of my State of Minnesota. And I would like to see these figures even higher next year and the year after that and the following years. This can be done because this act will give us the machinery to do it.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a table showing the exports of commodities which show major increases in fiscal year 1961–62, compared with 1960–61.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

[Dollars in millions]

Commodity	1960–61	1961–62	Percent rise
Wheat, including flour	$1,151	$1,286	12
Feed grains	531	691	30
Tobacco	385	398	3
Soybeans	344	372	8
Fruits and preparations	254	280	10
Vegetable oils	148	171	16
Vegetables and preparations	127	135	6
Poultry meat	57	76	33
Protein meal	45	66	47

Mr. HUMPHREY. Mr. President, this act can provide a strong economic boost to the farmers of Minnesota and the Nation. It represents sound economic policy, enlightened foreign policy and the legal framework for a vast expansion of trade.

In Minnesota alone during the 1960–61 season a total of $163,700,000 worth of farm products were exported, and an estimated 23,700 farmworkers in the State were kept busy in the production of farm goods for export. Minnesota food and related products industries, employing 13,807 workers, exported products worth $49,400,000 in 1960.

Minnesota's economy, as related to foreign trade, is linked far more to exports than to imports and the tariff-cutting authority in this bill would bring an increase of trade which will mean tremendous benefits to Minnesota and its people and the other States in this country and their people.

Agricultural exports make up about one-fourth of all U.S. exports. A nationwide study completed by the U.S. Department of Agriculture this year showed that each of our States has a significant share of total exports of farm products to world markets. The study is a clear indication that continuation of high-level exports is essential to our agricultural economy.

During the 1961 fiscal year the output of 60 million acres of U.S. cropland moved abroad, or 1 acre out of every 6 harvested. I ask unanimous consent, Mr. President to insert at this point in my remarks the study to which I have referred, showing the value of agricultural exports and competitive agricultural imports by region and State for the 1961 fiscal year.

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

Value of agricultural exports and competitive agricultural imports, by region and State, fiscal year 1960–61

[In millions]

Region and State	Principal exports	Agricultural export equivalents [1]	Competitive agricultural import equivalents [1]
New England		$56.1	$17.2
Maine	Potatoes and poultry products	25.6	6.3
New Hampshire	Dairy and poultry products	2.7	1.1
Vermont	Dairy products	4.8	2.2
Massachusetts	Apples and dairy and poultry products.	9.9	3.8
Rhode Island	Dairy products	1.6	.5
Connecticut	Tobacco and dairy and poultry products.	11.5	3.3
Middle Atlantic		136.0	54.7
New York	Apples and dairy and poultry products.	59.1	24.3
New Jersey	Apples, poultry products, and vegetables.	19.9	8.3
Pennsylvania	Wheat, tobacco, and dairy products	57.0	22.2
East North Central		746.3	272.3
Ohio	Soybeans, wheat, corn, and livestock products.	117.7	42.4
Indiana	do	149.3	53.1
Illinois	do	320.1	112.0
Michigan	Wheat, corn, soybeans, and dairy products.	94.9	33.7
Wisconsin	Corn, tobacco, and dairy products	64.3	31.1
West North Central		1,105.3	448.3
Minnesota	Soybeans, corn, and livestock products.	163.7	59.8
Iowa	do	248.0	126.6
Missouri	Soybeans, wheat, cotton, and livestock products.	154.4	58.0
North Dakota	Wheat and livestock products	111.7	31.9
South Dakota	Wheat, corn, and livestock products	46.4	27.9
Nebraska	Wheat, corn, grain sorghum, and livestock products.	176.9	73.2
Kansas	Wheat, grain sorghums, soybeans, and livestock products.	204.2	70.9
South Atlantic		597.0	193.0
Delaware	Soybeans and poultry products	9.7	2.4
Maryland	Tobacco, soybeans, and poultry and dairy products.	27.0	8.5
So. Atlantic—Con.			
Virginia	Tobacco, soybeans, and apples	$63.4	$21.2
West Virginia	Tobacco and livestock products	7.0	4.0
North Carolina	Tobacco, cotton, soybeans, and poultry products.	210.5	50.9
South Carolina	Tobacco, cotton, and soybeans	75.4	20.2
Georgia	Cotton, tobacco, and poultry products	102.8	28.9
Florida	Oranges, tobacco, and vegetables	101.2	56.9
East South Central		402.9	114.9
Kentucky	Tobacco, wheat, and livestock	101.4	31.6
Tennessee	Cotton, tobacco, soybeans, and livestock products.	93.0	27.8
Alabama	Cotton and poultry products	71.6	20.4
Mississippi	Cotton, soybeans, and livestock products.	136.9	35.1
West South Central		802.9	236.3
Arkansas	Cotton, soybeans, and rice	171.2	41.5
Louisiana	Cotton and rice	81.9	22.0
Oklahoma	Wheat, cotton, and livestock products	103.3	35.8
Texas	Cotton, grain sorghums, wheat, rice and livestock.	446.5	137.0
Mountain		390.5	147.1
Montana	Wheat and livestock products	67.9	24.3
Idaho	do	95.1	28.6
Wyoming	do	16.3	9.4
Colorado	Wheat, corn, grain sorghum, and livestock products.	81.7	35.0
New Mexico	Cotton, wheat, and livestock products	35.4	12.7
Arizona	Cotton, grain sorghums, and livestock products.	74.2	26.5
Utah	Wheat and livestock products	15.6	7.5
Nevada	Livestock products	4.3	3.1
Pacific		702.9	269.7
Washington	Wheat, fruits, and livestock products	113.0	38.2
Oregon	Wheat, fruits and nuts, and livestock products.	68.1	25.6
California	Cotton, rice, fruits and nuts, and livestock products.	477.5	194.8
United States		[2] 4,946.6	[2] 1,810.3

[1] The equivalent shares were derived from the States' contribution to national sales or output as determined from agricultural census data. They do not show actual exports or imports, though they reflect the common stake of the States in total U.S. trade based on Bureau of Census trade data.

[2] Total U.S. agricultural exports based on Bureau of Census data exceed the export totals for the States while total U.S. agricultural imports exceed the import totals for the States because of the exclusion of certain beverages and nursery and greenhouse stock in the State items and because Alaska and Hawaii are included in the national total.

Mr. HUMPHREY. Mr. President, as I have said the Trade Expansion Act of 1962 is but the machinery to increase our agricultural and other exports. We all are aware of the reason why this legislation has taken on a high priority and why it is of the utmost importance that it be passed this year. The reason, of course, is the emergence of the European Economic Community, or Common Market.

The biggest area dollar outlet for our agricultural exports in fiscal year 1962 was the Common Market, with a value of about $1.2 billion. This was one-third of the value of our agricultural exports to all dollar markets last year.

But while the Common Market is good for American agriculture—and particularly for those commodities not produced within the Common Market but which the United States has available for export, such as cotton, soybeans, hides and skins—there are some special problems we must face in our negotiations with the Common Market for sales of agricultural commodities.

With respect to such commodities as grains, rice, and poultry, which are important U.S. export products, there are protectionist tendencies at work in the Common Market.

The Common Market is developing an internal agricultural market which will be protected against imports from outside countries by variable import levies. These levies will equalize the price of the imported products with the Common Market's internal domestic prices. Under such a system Common Market domestic producers of those commodities which are subject to variable levies could have absolute protection against imports, depending upon price support levels.

If the United Kingdom should become a member of the European Economic Community our problems in this area would increase susbtantially, since our agricultural exports to the United Kingdom in the fiscal year 1962 approached $500 million. This, then, is the immediate problem for American agriculture—how to meet the trade challenges posed by the Common Market.

For those items with a fixed duty we can use the traditional tariff bargaining, or exchanging reductions of U.S. duties for comparable reductions of Common Market duties. I am encouraged that the Common Market already has indicated its willingness to negotiate on these commodities.

But with the highly complex variable import levy items we are going to face problems. This is a system not adaptable to the usual tariff bargaining.

The Department of Agriculture already has taken steps to meet these problems with the establishment of a new agricultural attaché post in Brussels, Belgium, the so-called capital of the Common Market. Secretary of Agriculture Freeman and others in the Department of Agriculture have had numerous discussions with Common Market officials and the Secretary has personally visited the Common Market to present the case for American agriculture. The efforts of the Secretary in this regard deserve great commendation.

The passage of the Trade Expansion Act will provide more flexibility and strength at the bargaining table for American agriculture. The Common Market has agreed to keep the door open for continuing negotiations on certain agricultural commodities which are affected by variable import levies, such as wheat, corn, grain sorghum, rice, and poultry. The Trade Expansion Act will enable the United States to make concessions to gain improved access for these farm products.

But there must be concessions on both sides and it is important that this bill authorizes the President to increase duties as a further bargaining tool to regulate trade.

The President could deny the benefits of U.S. trade agreements to countries maintaining such nontariff trade restrictions as unlimited variable fees which substantially burden U.S. commerce in a manner inconsistent with provisions of trade agreements. In this way the United States will be carrying out a truly reciprocal trade policy and will not merely stand by if its agricultural export markets are eroded by unwarranted foreign governmental actions.

Mr. President, I am for the Common Market and I am for a liberalized trade policy. But this policy must do justice to American agriculture—a vital part of our economy and a part that has suffered all too much in the past.

American agriculture needs markets now and it will need them even more so in the future. It is essential that we keep in mind that liberalized trade policies include agriculture.

In this act we have the machinery—the sunlight of a freer trade has broken through the clouds of protectionism. We must now make use of this light and so doing must not forget, American farmers, whose efficiency, industriousness, and good, honest hard work have made a valuable contribution to the high standard of living shared by all of us in the United States today.

TRADE EXPANSION FINANCIAL AND TECHNICAL ASSISTANCE

As an inalienable part of his program, the President envisages broad safeguards to American industry. However, in cases where unavoidable damage through imports is suffered by companies, farmers, and workers, the trade bill provides effective trade adjustment assistance—in the form of financial help and training to displaced workers or advice, tax benefits, and loan guarantees to businessmen and farmers.

This is a subject in which I have been interested for some time and about which I feel very strongly. Several years ago the President, then a Member of this body, and I sponsored proposals for an adjustment assistance program. In July 1958 the then Senator John F. Kennedy, Senators Douglas, Javits, Neuberger and I introduced amendments that would have added a trade adjustment assistance program to the 1958 renewal of the Trade Agreements Act. It is, therefore, with a sense of satisfaction that I see this bill before us today incorporating such a program—a program which has now been accepted as an integral part of the trade bill by our colleagues in the House and by our own Finance Committee.

I support this program because I feel it adds to the import side of an expanding trade policy a new approach consistent with that applied to the export, or negotiating side. I say "adds," for the bill retains the traditional technique of restricting imports through tariffs and quotas when the President, acting on the advice of the Tariff Commission and other informed sources, determines that such restrictions will best prevent or remedy injury to a domestic industry. And it adds:

First. A new dimension for firms; authority to extend technical, financial and tax assistance; for workers; readjustment allowances, training, and relocation allowances;

Second. A new flexibility—ability to tailor assistance programs to the real needs of individual firms and workers and to aid industries through a combination of all available means of assistance; and

Third. A new initiative—constructive adjustment which will convert the competitive force generated by imports into positive energy stimulating our growth and prosperity.

Adjustment to competition is an ageless issue. In our domestic economy, and within our tariff walls, we have accepted, welcomed, even encouraged it. For competition is the lifeblood of the free enterprise system. It forces change, adjustment and innovation, and these in turn are the bases for growth and prosperity.

But our attitude toward foreign competition, even though this is insignificant in comparison to competition from domestic sources, has failed to keep pace with our attitude toward domestic competition. And our policies, reflecting this lag, have tended to restrain import competition and to shelter some domestic producers from the need to adjust. If these policies were suitable in the past, they are as obsolete today as the Gibson Girl and the buggy whip. The question is no longer whether or not to adjust, but how best to adjust, to the impulse of foreign trade. For regardless of what tariff action we take, or if we take no action at all, domestic adjustments will be necessary.

If we raise our tariffs, we will have to adjust. Most of our tariff rates are bound in agreements with other countries who gave us concessions in their tariffs in return. If we raise certain of these bound rates, we are obligated to offer compensation to the injured country by reducing our tariffs on other items. Or if the other country refuses our compensation and elects to retaliate by raising its own tariff barriers, our exporters are forced to adjust to this loss in their foreign markets.

If we maintain all our existing tariff levels, we will also have to adjust. As the six nations of the European Common Market eliminate all duties on trade with each other, our rich export markets in the area will be jeopardized and our exporting industries will be faced with shrinking sales, unless we are able to bargain down the common external tariff of the Common Market and

preserve and expand our exports to this very promising market.

And, if we reduce our tariffs, we will have to adjust. However, in this case we will not be adjusting just because of the impact of increasing imports, we will also be adjusting to the increased opportunities for our exports which are made possible by the exchange of tariff concessions with other countries. Only in this case then does adjustment offer real opportunities for expanding sales, production, profits, and employment.

How then can we best adjust to the impulse of foreign trade? We can best adjust if we adopt policies which experience tells us will succeed. And in formulating these policies we can profit from our own experience as well as from that of other countries.

Since 1934 the United States has pursued a trade policy which has resulted in expanding exports and expanding imports, and we have prospered because of it.

Six nations on the European Continent have elected to capitalize on the opportunities afforded by an expanding trade policy and are now eliminating all duties and other barriers to trade with each other. These six countries have established a trade adjustment assistance program to help their firms and workers adjust to an increase in competition which is far greater than any possible under the provisions of the Trade Expansion Act. Tariffs on all nonagricultural products traded among the Common Market countries have already been cut in half, yet the adjustment assistance program has been used in only one case; and the six Common Market countries are prospering as never before.

The Trade Expansion Act with its trade adjustment assistance program embodies these policies which have been proven by experience. It is in short, the rational approach to the ageless issue of import competition.

In concluding his message to the Congress introducing the Trade Expansion Act, the President said:

> The purpose of this message has been to describe the challenge we face and the tools we need. The decision rests with the Congress. That decision will either mark the beginning of a new chapter in the alliance of free nations, or a threat to the growth of Western unity. The two great Atlantic markets will either grow together or they will grow apart. The meaning and range of free economic choice will either be widened for the benefit of freemen everywhere or confused and constricted by new barriers and delays.

I accept the President's challenge and have made my decision. I support the Trade Expansion Act and I ask for an overwhelming vote in its favor.

The Trade Expansion Act is a comprehensive program of adjustment to the radically changed world economic pattern of the 1960's. Although primarily designed to cope with the challenge of the Common Market, the trade bill will be of material assistance in our relations with our traditional trading partners in Latin America and the Far East, whose interests we have not forgotten.

The Trade Expansion Act is only our first reaction to the European Common Market and it is a reaction to only one aspect of the Common Market; namely, its importance to the continued health and vitality of our foreign trade. Statesmen on both sides of the Atlantic have frequently maintained that the logical result of European economic integration is a wider political unity, perhaps a United States of Europe capable of playing a role in world politics equal with that of the United States and Soviet Russia. Political unity looms as the culmination of a process of which the Common Market is the first and most significant step.

The last few years have seen the almost miraculous fulfillment of these conditions.

Through the help of the United States and the marshaling of its own genius, Europe has more than regained its prewar prosperity. The necessity to guard Western civilization against Communist imperialism has made close allies of countries which only a few years before had been at each other's throats.

NATO has given each country a sense of contribution to the common Western defense effort. Above all, the eyes of Europeans have been opened to the economic possibilities of cooperation. Through trial, error, and patient persistence, through the experience of the Common Market, the European Coal and Steel Community, Euratom and other institutions, nations have learned that their pooled efforts far outweigh their individual capacities.

As a result, the goal of political unity has been an implicit and explicit corollary of European cooperation in the economic sphere. In applying for full membership in the Common Market, Great Britain, too, has in effect resolved to merge her separate political destiny with that of her continental neighbors. To do so required a great effort of will, a conscious divorce from exclusive imperial tradition. Even today, conflict rages in the the chancelleries of Europe as to the nature and the timetable of European unity: Should Europe be, as the Germans seem to be saying, a closely knit fraternity of club members prepared to accept all the rules of membership and abide by the collective will? Or should it be, as in the French view, a looser union of "fatherlands" in which each country surrenders a minimum of sovereignty while retaining a maximum quantity of national grandeur. Should the European club be made exclusive, for the sake of a more perfect and efficient union, or should weaker, smaller nations be allowed to partake of the advantages of membership even though constitutionally or otherwise they are unable to shoulder the full political burden of membership?

To a large extent these are the questions facing the architects of European unity today. They cannot be resolved quickly, nor is there any guarantee that they will be resolved at all. It should be clearly understood, however, that they are the last remaining obstacles to the formation of a single political entity numbering close to 300 million souls, with an economic and military potential equal to or surpassing our own. Furthermore, there is a firm will in Europe to overcome all problems.

For instance, on July 18, 1961, a European summit conference at Bonn, Germany, declared that the six Common Market countries intended to give "shape to the will for political union already implicit in the treaties establishing the European Communities." Day before yesterday in Paris—July 5—President de Gaulle of France and Chancellor Adenauer of Germany—whose views on this question are known to differ at least superficially—declared that it was "desirable to bring the discussions on the creation of a political federation, which would consolidate achievements already made in the economic field, to a conclusive agreement with their partners."

Given this will to cooperate in Europe, it was singularly appropriate that President Kennedy should have chosen the Fourth of July in Philadelphia's Independence Hall to make his historic and ringing call for a declaration of interdependence between the United States and a united Europe. President Kennedy drew a consistent parallel between the experience of the United States in forging a workable Federal constitution out of the raw material of independence and the slow, sometimes painful stages by which a similar process would have to take place in Europe. Yet he left no doubt that he expected the European movement to be crowned with success, and equally clearly, he staked out the claim of the United States to have a special, mutually beneficial relationship with Europe.

The President left no doubt that he conceives of a partnership between Europe and America which would consist of more than sentimental ties and less than the ties between vassal and suzerain. On the contrary, the proposed relationship would be one of equality—a relationship in which both Europe and the United States could provide for the common defense, promote the general welfare, and carry out their mutual obligations for the emerging nations and the underdeveloped areas of the world.

The President likewise left no doubt that a United Europe must not become a "third force" counterpoised between the United States and the Soviet Union. In his own words:

> We do not regard a strong and united Europe as a rival but as a partner. To aid its progress has been the basic objective of our foreign policy for 17 years. We believe that a united Europe will be capable of playing a greater role in the common defense, of responding more generously to the needs of poorer nations, of joining with the United States and others in lowering trade barriers, resolving problems of currency and commodities, and developing coordinated policies in all other economic, diplomatic and political areas. We see in such a Europe a partner with whom we could deal on a basis of full equality in all the great and burdensome tasks of building and defending a community of free nations.

In short, what the President proposes, and what every American should welcome, is a discussion between the United States and Europe—once its unity has been established—as to "ways and means of forming a concrete Atlantic partner-

ship." Already, this partnership exists in more or less solid form—in the shape of institutions such as the Organization for Economic Development, the Development Advisory Group, NATO, and others. But the West needs a much more comprehensive, a much more detailed and institutionalized instrument of cooperation, the more so as relations between North American and Europe become less and less multilateral and more and more bilateral. We need a true Atlantic Charter for the sixties and seventies.

The President, says the Times of London, has advanced "an imaginative idea, typical of his sense of style and history." His speech, I would say, makes a double contribution of unsurpassed value to the cause of Western unity. First, he frankly admits that the goals of international justice, domestic tranquility, defense against aggression, general welfare, or the blessings of liberty can be achieved by any one nation in today's world. This would seem to answer the fear of some who might object that the United States is trying to horn in on Europe and establish Anglo-saxon domination over continental institutions. Secondly, he states just as frankly that his grand scheme is not a blueprint for tomorrow but a goal to be striven for over the years:

All this—

He says—

will not be completed in a year, but let the world know it is our goal.

The United States, therefore, will neither withdraw from Europe nor will it seek to reestablish hegemony over Europe. It is going to cooperate closely with Europe once the latter has solved its constitutional problems. If this remains our goal, despite all the setbacks and disappointments which may be encountered, then the West will have found nine-tenths of its answer to the Communist threat.

This, then, is the environment in which the Trade Expansion Act must be considered and passed.

Mr. SMITH of Massachusetts, Mr. President, I would like to discuss the reasons why I have so strongly supported the Kennedy trade bill.

I have done so knowing that there are older industries in my State which have been hurt by foreign competition in the past and which may feel even greater pressures from it when this program goes into effect. I believe, however, that in the long run, Massachusetts gains in new markets and trade opportunities will more than offset its losses through foreign competition. Furthermore, I believe that this bill provides new and better safeguards for the older industries.

In part, these safeguards consist of provisions to enable them to adjust to changing conditions and to remain competitive without traditional tariff barriers. More important, however, they give to the President more powerful and flexible tools to act swiftly to assist any industry facing unfair foreign competition. This has already been done under the Kennedy administration without the assistance of this bill. I know that this bill will enable President Kennedy to greatly expand his efforts in this area.

There are several safeguards in this bill for domestic industries threatened by foreign competition. First, tariff reductions must be spread out over a 5-year period. Second, the escape clause provisions have been clarified and strengthened. Thirdly, provisions are included for adjustment assistance to help industries hurt by foreign competition to adjust to new conditions. The adjustment assistance provisions are particularly important as they can be adapted to the needs of individual firms. They allow greater flexibility for the firms to meet the problems of foreign competition than that provided by tariffs. This bill does not by any means eliminate tariff and import quotas. It recognizes, however, the fact that a rapidly changing economy requires flexible assistance provisions. Adjustment assistance is a modern way of meeting the new economic problems of our age.

The most important safeguards, however, are those which incrase the decision making powers of the President. He has been given additional authority to deal with countries which maintain unfavorable trade restrictions against the United States. He also has increased power to enter into marketing agreements to protect products covered by the escape clause provisions. In general, this bill makes it both easier for the industry to gain access to the President and for him to act on their requests.

Under the Kennedy administration, we have already seen what can be done through vigorous executive action to protect an industry hurt by foreign competition. President Kennedy took the initiative in May 1961 in preparing a broad program to help the textile industry. Since then, the United States has set up a long-term, 18-nation agreement permitting importing countries to take restraint actions to prevent marketing disruption by low cost imports. Congress then supplemented the President's powers to permit him to control nonparticipating nations.

As a result of this work, over 75 percent of the import movement of cotton textile production has been kept under control. Sixty-eight specific restraint actions have been taken against other countries in the less than 1 year that this program has been underway. Mill activity and profits in the cotton textile industry have risen and the decline in employment in that industry has been halted.

This is an example of what vigorous action has done for one industry in our country hurt by foreign competition. More can be done along these lines and will be, I am sure. There is no person in the country more knowledgeable and concerned over the problems of our older industries than our President. He represented my State on Capitol Hill for a decade and knows firsthand the problems which the older industries of Massachusetts, New England, and other parts of the country face. By increasing the President's power to deal with these problems, Congress has given him a greater opportunity to give to other industries the same relief which he gave to the textile industry.

The primary purpose of this bill is to open new opportunities for expansion abroad for American industry. This is especially important to Massachusetts. In 1960, my State sent nearly $450 million worth of manufacture and agriculture abroad. Almost a third of the working force in the Commonwealth in over 300 firms benefited through jobs from these exports. Massachusetts was the eighth largest exporting State in the union in that year.

These exports came in a large part from industries where American industrial know-how and manufacturing skills gave us a competitive advantage. American industries have many such advantages in exporting to foreign countries and it is important that we make the best use of them. We have had long experience in many enterprises that are new to foreign countries, and possess technological methods that are the world's finest. Through advanced techniques of production and distribution, we can get our products to market quicker and cheaper than even other highly industrialized nations.

The Kennedy trade program will enable us to convert the benefits of our advanced industrial economy into jobs through expanded exports. This is of utmost importance to the country. Our economy cannot afford to stand still. If our sales do not increase, if we do not provide ourselves with the necessary tools to deal with the rapidly growing European Common Market area, we shall not only halt our growth but begin to decline. On the other hand, if we combine forces with the European Common Market we will not only bolster our own economy through this action but we will offer to the Soviet bloc an industrial might with twice their economic power. Over the long run, this is a greater threat to Mr. Khrushchev than all our armaments.

He knows this and has recently taken steps in eastern Europe to bolster the economic strength of that area. The free world, however, still has a great lead over the Communist bloc in the economic field. This trade program will be a great step toward insuring that we keep that lead. I consider it a great privilege to have served in the Senate at a time when we approved a forward looking measure such as this one.

Mr. MILLER. Mr. President, with a view toward clarifying the intention of the legislation by the making of some legislative history, I wonder if I could ask a few questions of the distinguished Senator from Virginia, the chairman of the Committee on Finance. My first question refers specifically to the word "predominantly," which appears on lines 12 and 13 on page 49 and on line 24 on page 52 of the bill. Is it the intention that this means over 50 percent?

Mr. BYRD of Virginia. I believe that that is the intention. This is borne out by the statement in the House report appearing at the middle of page 54.

Mr. MILLER. I thank the Senator. My next question is this: Referring specifically to the word "major," appearing on line 7 at page 35, is it the intention that this does not necessarily mean over 50 percent?

Mr. BYRD of Virginia. The answer to the Senator is that that is my personal interpretation.

Mr. MILLER. I thank the Senator.

Mr. McCARTHY. Mr. President, the Trade Expansion Act of 1962 has rightly been called one of the most important pieces of legislation to come before the Congress in several decades. It is a forward-looking and far-reaching bill which faces up to the challenges of a rapidly changing world, a world in which yesterday's formulas are no longer adequate for today's problems.

This bill puts the United States on record as announcing to the rest of the world that we are prepared to make a positive response to new situations. And the situations are new. After many years of enjoying our position of unrivaled economic supremacy, we now see that across the Atlantic the nations of Western Europe have at last discovered the potential which lies in economic union. These nations are producing—and consuming—at record rates. This is all to the good. We welcome it. There is, in fact, every reason to believe that the United States as well as Western Europe will benefit from the economic revolution which is taking place. But in order to compete effectively with West Germany, France, Italy, and the rest, in order to take advantage of the vast market which has opened up abroad and, at the same time, to enjoy the fruits of their labor, we must revise our trade laws and recognize that adjustments will be necessary.

Mr. President, the Trade Expansion Act which is before the Senate today is, in reality, a "fair trade" bill. Its aim is to insure those conditions around the world which will foster and guarantee the age-old right to exchange goods and services in a free and open marketplace. To this end, the bill gives to the President the power to reduce our tariffs—but on a truly reciprocal basis. Trade is a two-way street, and the purposes of this legislation will be accomplished only if they are accepted in fact as well as in principle by the other nations of the world.

At the same time, the bill is protectionist, in the best sense of the word. It protects the principle of the free market at home. It is designed to protect the American businessman in his right to compete fairly around the world. And it protects American workers and firms from unfair competition. Moreover it protects them from the consequences of imports and import competition which may result from the enactment.

Once again I should like to call the attention of my colleagues to the provisions of the Trade Expansion Act which make this a fair trade measure. With regard to the real and discretionary power given to the President to safeguard genuine competition, H.R. 11970 came from the House with the following provisions:

Section 201(b), which gives to the President, in addition to his basic authority to reduce duties, authority to increase duties to 50 percent above the level of July 1, 1934.

Section 232, which retains the present authority to adjust the level of imports when the President finds that they threaten to impair the national security.

Section 252, which requires the President to take all appropriate and feasible steps in his power to eliminate unjustifiable foreign import restrictions which impair the value of tariff commitments made to the United States, oppress the commerce of the United States, or prevent the expansion of trade. He may not, however, give concessions on U.S. duties in order to accomplish this end. Further, the President is required, to the extent consistent with the purposes stated in the bill, to prevent the application of trade agreement benefits to products of countries which maintain unwarranted nontariff trade restrictions against the United States or which engage in discriminatory acts or policies which unjustifiably restrict U.S. commerce.

To these important provisions, which are in the interest of fair trade, the Finance Committee has given the President the following general powers:

Section 353, which provides that, notwithstanding any other provision of law, the President may, when he finds it in the national interest to do so, increase any existing duty to the extent he finds necessary, impose a duty on an article to the extent he finds necessary, and impose such other import restrictions to the extent he finds necessary.

Section 252(c), which provides that whenever a country or instrumentality, the products of which receive benefits of trade agreement concessions made by the United States, maintains import restrictions which are unreasonable, although they may be legally justifiable, and which either directly or indirectly substantially burden U.S. commerce, the President may, to the extent consistent with the purposes set out in section 102, and having due regard for the international obligations of the United States, first, suspend, withdraw, or prevent the application of benefits of trade agreement concessions to products of such country or instrumentality; or, second, refrain from proclaiming benefits of trade agreement concessions to carry out a trade agreement with such country or instrumentality.

Section 352, which provides that after receiving an affirmative finding of the Tariff Commission under section 301(b) with respect to an industry, the President may, as an alternative to the action authorized by section 351(a)(1), but subject to the congressional review procedures of the other paragraphs of section 351(a), negotiate with foreign countries international agreements limiting the export from such countries and the import into the United States of the article causing or threatening to cause serious injury to such industry, whenever he determines that such an agreement would be more appropriate than tariff relief to prevent or remedy serious injury to the industry.

The Finance Committee has also recognized the special problems which attend the continued export of American agricultural products to Western Europe with an amendment to section 252(a) which provides that the President shall impose duties or other import restrictions on the products of any country establishing or maintaining burdensome restrictions against U.S. agricultural products.

Finally, in the interests of safeguarding American agriculture, the committee has added section 257(h), which provides that nothing in H.R. 11970 shall be construed to affect in any way the provisions of section 22 of the Agricultural Adjustment Act. Section 22 is designed to protect agricultural products participating in Government price-support programs from dumping or other unfair practices on the part of foreign nations.

Mr. President, it is my firm conviction that the various sections I have cited will, if properly administered—and I expect them to be so administered—afford adequate protection to the American businessman, worker, and farmer against restrictive and unfair practices abroad, thereby guaranteeing that the purposes of the Trade Expansion Act will be accomplished.

I stated earlier that this bill is designed also to protect American businesses and workers who might, despite these protection provisions, be injured because of this legislation. We would be foolish if we closed our mindes to the fact that there will be some injuries as we liberalize our trade laws. I sincerely believe that injury to American workers and producers will be limited in scope and duration, and that the resiliency and adaptability of American industry will act to reduce the extent of injury; but I would not want to be the one to have to tell the unemployed worker and his family or the businessman who has been forced to close his plant that they represent but a small segment of the American economy, the segment that has been idled by the effects of our new trade act. Those who are injured because of the implementation of national policy are entitled to assistance. It is important, and indeed essential, that the Trade Expansion Act include provisions for their relief.

The idea of helping firms and workers who may be injured because of national trade is not new. In 1950, administration spokesmen testifying in behalf of foreign economic aid suggested that some form of compensation might be appropriate for persons who suffered economic loss as a result of the lowering of American tariffs; and in 1953, the Public Advisory Board for Mutual Security submitted a report on "A Trade and Tariff Policy in the National Interest," in which the principle of adjustment assistance was endorsed. But in neither case was a specific program offered. Also in 1953, Mr. John S. Coleman, chairman of the Committee for a National Trade Policy, and president of the Burroughs Corp., told the Randall Commission that "assistance should be provided to enterprises, communities, and employees affected by reduction in import restrictions where it is needed to help them

adjust to dislocation," although in his proposal Mr. Coleman emphasized assistance that would permit avoidance of injury, where possible, rather than straight indemnification against injury.

The Randall Commission took a position against special Government adjustment assistance. However, one member of the Commission, United Steelworkers President David McDonald, formally proposed assistance, urging that "adequate provision be made in the law for sharing the costs of such adjustments as may be necessitated by increased imports." Mr. McDonald's proposal focused public attention on the problem; and in the years that followed a number of bills calling for adjustment assistance, including one that I cosponsored—S. 3803, in the 86th Congress—were introduced in Congress. One of the first of these was S. 3650, introduced in 1954 by then Senator John F. Kennedy, which the sponsor said was similar in many respects to the McDonald proposal.

In 1959 to 1960, the Senate Special Committee on Unemployment Problems, which I had the privilege of chairing, made an extensive study of unemployment conditions in the United States. One of the recommendations of the majority was the "enactment of adjustment legislation to relieve the impact of international trade policies on employees, businesses, and communities adversely affected." The minority went into more detail, stating that "we see no reason why a relatively small number of persons who are vulnerable to import competition from low-wage countries should be expected to bear the brunt of the cost of national adjustment to increased imports," and recommending assistance to firms through "loans, tax concessions or other forms of assistance to adjust to new lines of production," and assistance to workers in helping them to move to new jobs and to develop new skills.

Under the adjustment assistance provisions of H.R. 11970, workers who qualify would be eligible for, first, readjustment allowances, usually amounting to 65 percent of the worker's average weekly wage, but in no case more than 65 percent of the national average manufacturing wage, for up to 52 weeks for all workers, with provision for up to 26 more weeks for a worker in an approved training program, or a possible 13 more weeks for workers over 60 years of age who are not getting training; second, vocational education and training to help workers hurt by imports to develop higher and different skills; and, third, relocation allowances to pay for the worker's and his family's moving expenses, plus a lumpsum payment of about $230.

Firms which are hurt by import competition and which submit a sound economic adjustment proposal reflecting efforts toward self-help and consideration of the interests of their workers may qualify for technical assistance, loans, or permission to carry back a net operating loss for tax purposes to 5 years, rather than the normal 3 years.

It is not unusual for the Federal Government to make special provision for situations arising out of national policy. Congress has in the past enacted such programs as the GI bill of rights, the reconversion unemployment benefits for seamen, unemployment compensation for certain Korean veterans, reemployment rights for veterans, and hospital and other benefits for those injured in advancing the national interest.

Why is such a program of adjustment assistance necessary in an economy which retains the dynamism of ours? In the first place, adjustment assistance is intended to be complementary to the escape-clause provisions and the staging requirements also provided in the bill. Second, adjustment assistance is a more adaptable and flexible tool for adjusting to trade situations than anything heretofore proposed.

In cases where industrywide injury may not be sufficient to warrant tax relief, adjustment assistance can be given to individual firms and groups of workers who may be genuinely injured. With various kinds of assistance available, a particular program can be adjusted to the special needs of the firms and workers who may be affected. At the same time, assistance can be given in one area, without affecting our overall trade policy, and without inviting retaliatory action from abroad. The program, above all, directly promotes what Secretary Hodges called a "constructive response to the challenge of import competition."

The statement by the Secretary of Commerce is important in pointing up the fact that adjustment assistance is not a dole or a subsidy. Neither is the program expected to be very large. The best estimates are that it will affect perhaps 18,000 workers a year, or 90,000 over a 5-year period. Furthermore, maximum use will be made of existing agencies in providing assistance, so that there need be no fears about an expanding Federal bureaucracy.

Mr. President, I am confident that the Trade Expansion Act will assist the United States in meeting the new challenges of a rapidly changing world. I have emphasized my belief that this is truly a "fair trade" act, one which will contribute to the elimination of trade barriers and restrictions all over the world. I believe the bill is fair in what it attempts to do for American industry, for American labor, for American agriculture, and, indeed, for all the American people. The United States is often reminded of its special responsibilities of leadership. I believe we are here providing an instrument for the more effective exercise of that leadership of the world, while at the same time we meet and fulfill our obligations to the American people.

Mr. President, I had intended to offer an amendment to the inducing clause of section 252(a) which would strike the word "unjustifiably" and reinsert the word "unjustifiable" before the phrase "foreign import restrictions," which are the subject of this subsection. This would have had the effect of returning to the language of the House bill.

The change was made in the House bill not with any intent to change the substance of the inducing clause but rather as a clarification of its language. It has been brought to my attention that the inducing clause contains three situations in the alternative, in any one of which the President is required to take the action specified in the three subparagraphs of section 252(a), including paragraph 3, which is Senator WILLIAMS' amendment. If, as in the committee's bill, the word "unjustifiable" or "unjustifiably" is used to modify only one of these three alternatives, the other two alternative clauses can be read to require the President to act even though the restrictions in question are legitimate and justifiable. This would be particularly unfortunate in the case of paragraph 2 of section 252(a), which prohibits the President from negotiating U.S. concessions in order to obtain the reduction in any foreign import restriction which is the subject of that subsection. The intent of this paragraph is clearly only to make the prohibition apply to bargaining for the reduction of unjustifiable restrictions.

By the reinsertion of the word "unjustifiable" to modify the import restrictions which are the subject of section 252(a), it will be clear that, as in the case of section 252(b), the President is fully armed to take action against foreign import restrictions which are illegitimate, by virtue of being inconsistent with, or contrary to, international agreements like the GATT and treaties of friendship, commerce, and navigation. Senator DOUGLAS' amendment, the new section 252(c), on the other hand, authorizes action against unreasonable import restrictions, that is, restrictions which, though they may be legally justifiable, unreasonably impose a substantial burden upon U.S. commerce. Taken together, sections 252 (a), (b), and (c) will thereby provide a formidable array of powers which the President can invoke, if he sees fit, to attempt to induce the reduction or removal of both illegal and legal but reasonable import restrictions which burden U.S. commerce abroad.

Accordingly, consistent with the committee's intention but in the light of a more careful reading of the inducing clause of section 252(a), I believe that this amendment, returning to the language of the House bill, is a necessary one. Since it effects no substantive change and is merely in the nature of a technical amendment, I hope that it will be adopted in conference.

Due to the fact that third reading of the bill came earlier than I had anticipated, I ask unanimous consent to have the amendments printed in the RECORD at this point.

There being no objection, the amendments were ordered to be printed in the RECORD, as follows:

Amendments to section 252(a): Page 20, line 24, insert "unjustifiable" before "foreign import restrictions".

Page 21, line 1, strike "unjustifiably".

Mr. STENNIS. Mr. President, I think that one should record his impressions of the problems presented by the trade bill and give his reasons for support of same.

No one knows what will be the impact of this trade bill on both the major and minor segments of our economy. I am certain it will in some respects be up-

setting, and will cause special burdens to many segments of our business and industrial life.

However great these burdens may prove to be, I am also certain that the sufferings and burdens will be worse, should we fail to act at all.

Substantial changes are rapidly coming about in the economic conditions of the world. New trade problems and possibilities come with each passing month. To a degree, this legislation is an experiment in meeting these new conditions—but at the same time it is a necessary experiment.

Tremendous power will be vested in the executive department of the Government in devising and administering the far-reaching trade policies which will evolve from this measure. I vote to grant this power because I think it is necessary to meet new conditions at home and abroad.

A major point to always remember is that to meet changing conditions we have to negotiate with other nations. Our present trade bill law has expired and it is necessary that we pass some bill in order to have a method or authority for negotiating agreements with others.

Another very significant point is that the success or failure of this measure will depend so much upon its administration. This applies to the Nation as a whole as well as every section thereof. It will be possible for the administration to favor one area of the country and to penalize another. The executive department will certainly be on trial in this respect.

I feel sure that the utmost effort will be made by all those charged with responsibilities under the bill to carry out the spirit of fairness and impartiality entrusted to them by the enactment of this far-reaching measure.

In addition thereto, it is implicit in the passage of the bill that it shall be reviewed by Congress in view of experiences gained by its operation.

NOTICE OF INTENTION TO BRING BEFORE THE SENATE THE TREATY OF FRIENDSHIP, ESTABLISHMENT, AND NAVIGATION BETWEEN THE UNITED STATES OF AMERICA AND THE GRAND DUCHY OF LUXEMBOURG

Mr. MANSFIELD. Mr. President, it is the intention of the leadership—and I have discussed this matter with the distinguished minority leader—to call up, at the conclusion of the consideration of the trade bill, the Treaty of Friendship, Establishment, and Navigation between the United States of America and the Grand Duchy of Luxembourg. There will be a yea-and-nay vote on the treaty, and we suggest that Senators remain in the Chamber to vote on it.

TRADE EXPANSION ACT OF 1962

The Senate resumed the consideration of the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes.

Mr. HOLLAND. Mr. President, like a good many other Senators, I am about to vote for the so-called trade measure because I see hope in it, but still with some reluctance because of some of its very far-reaching provisions. I see hope in it, because we all know that the customary channels of trade, which have existed in somewhat the same form for decades or even centuries, are rapidly changing and are subject to additional change.

I realize that in view of the rise of the Common Market and other conditions known to all of us there must be more flexible machinery accorded to the executive for prompt and effective dealing with trade problems than anything now provided under current law. I am therefore voting for the bill, though with some reservations, and in the hope that in the administration of the act—which will be the real test of its effectiveness—the administration shall be vigorous and shall be insistent upon the protection of American industry, American agriculture, and American labor in those many instances in which I think those great groups will be entitled to very real recognition as the act comes into operation.

Mr. JACKSON. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. JACKSON. I commend the distinguished senior Senator from Florida for the very sensible statement he is making on the bill. I think he speaks with the voice of many Senators who support the measure. We all have very serious reservations about what might happen under the terms of the bill, but when one looks at the other side of the coin and sees the Common Market coming into being, I think one must realize that we are confronted in the Senate with no alternative course of action to follow than to enact legislation giving to the President appropriate power to act. A failure to do so would be to bury our heads in the sand and ignore the problem we face in the European Common Market.

Therefore, as the distinguished senior Senator from Florida has pointed out, whether the bill is an effective tool in furthering American agriculture, commerce and industry will depend upon the administration of the act.

I think the overwhelming vote the bill will receive in the Senate today will indicate this mandate to the President of the United States. It will indicate that we expect the President to carry out the purposes and objectives of the act in order at the same time to preserve, protect and defend American business, agriculture and commerce.

I commend the Senator from Florida.

Mr. HOLLAND. I thank the distinguished Senator from Washington for his comments. I know that in the back of his mind is at least one thing which is in the back of my mind, because we have been together in many negotiations heretofore, both under the preceding administration and under the present administration, when we have felt that there was not sufficiently aggressive representation of the rights of that large segment of American agriculture which produces and markets perishable fruits and vegetables and the products of those agricultural commodities, which are so very perishable, which are not price supported, and which have depended heretofore largely upon foreign markets to absorb a large portion of the production.

I am hopeful for a much more aggressive attitude on the part of the Executive generally, and particularly the Department of State, in protecting and defending the rights of the producers of the perishable agricultural commodities I have mentioned, fruits and vegetables, to permit them to reach their traditional foreign markets and to build themselves greater in those markets. Insofar as the Department of Agriculture is concerned, we have had from that Department much more friendly treatment.

Mr. JACKSON. Mr. President, will the Senator yield further?

Mr. HOLLAND. I yield.

Mr. JACKSON. Is it not true that the problem we face involves not merely the matter of tariffs, since there are other barriers which are even more formidable than tariffs, such as quotas, unfair trade practices, and all the systems and devices which have been used in the past and which likely will be used in the future to make it difficult for American agriculture, commerce, and industry to enter the European and other markets throughout the world?

Mr. HOLLAND. The Senator is correct. To the factors which the Senator has mentioned there should be added the differences in exchange, which have proved to be quite a hurdle with respect to the rebuilding by our vegetable and fruit industries of the markets which they had before World War II and which they have been unable to reestablish, in spite of the fact that they have spent large sums of their own money, both before the war in developing the markets they then had and since the war in the effort to reestablish those markets.

I hope that we shall have a vigorous and aggressive administration of the act in all those fields. I think particularly of the industries which I have mentioned, which are not price supported and which can legitimately turn to the Federal Government for more help in the matter of getting over the foreign quotas and getting over the other restrictions which the Senator from Washington has mentioned.

Mr. JACKSON. Mr. President, will the Senator yield briefly?

Mr. HOLLAND. I yield.

Mr. JACKSON. I heartily concur in the Senator's reference to the devaluation of currency. The currency problem hit the lumber industry in the Northwest particularly hard. It has hit the industry in the South. I refer to the problem with Canada, since the Canadian dollar has been devalued.

I think the message to the President, when we finally vote on this measure in the Senate, is that we hope and anticipate that he will look at the problem in broad perspective, not merely from the standpoint of tariffs, but also with respect to all the other devices used to make it more difficult for our commerce, agriculture and industry to properly compete in world markets.

I commend the able Senator from Florida for what I think is a commonsense analysis of the problem we face. We are confronted with a condition and not a theory. I think we are taking the only reasonable action we can take. We must give the President full power. It is up to the administration to utilize the tools wisely in the furtherance of our own national objectives.

Mr. HOLLAND. Again I thank the Senator from Washington.

Mr. President, with reference to this one relatively small aspect of the problem, though it is very large to the people who produce fruits and vegetables and other perishable crops, I wish to call attention, if I may, to the amendment in the bill approved by the Senate, which is found as a part of section 252. It begins as follows:

(a) Whenever foreign import restrictions impair the value of tariff commitments made to the United States, unjustifiably oppress the commerce of the United States, or prevent the expansion of trade on a mutually advantageous basis, the President shall—

I call particular attention to the use of the word "shall"—

(3) notwithstanding any provision of any trade agreement under this Act, impose duties or other import restrictions on the products of any foreign country or instrumentality establishing or maintaining such foreign import restrictions against United States agricultural products, to the extent he deems such duties and other import restrictions necessary to prevent the establishment or obtain the removal of such foreign import restrictions and to provide access for United States agricultural products to the markets of such country or instrumentality on an equitable basis.

Mr. President, I am sure the committee meant in the use of the word "instrumentality" such organizations of states as the Common Market and other similar organizations that have arisen or that may arise.

I warmly congratulate the distinguished Senator from Delaware [Mr. WILLIAMS] for his insistence upon the inclusion of the amendment. Though not precisely in its final form, yet in a form which will carry out the objective sought. Representing in part those who produce fruits and vegetables in this Nation, and having cooperated with Senators with similar groups of constituents in numerous other States, we believe that, in the adoption of the amendment, we have given to the Executive a tool with which he can much better serve. We hope he will use it to serve much more aggressively the legitimate interests of the fruit and vegetable producers of our Nation. They should include, of course, the producers of other highly perishable agricultural products, such as poultry and other perishables, which receive no price supports. They must be marketed quickly and carefully. We have every confidence now that they will receive the vigorous attention of the Executive and the various departments that deal with this subject in reestablishing and enlarging our markets abroad.

I am sure that Senators from States which produce these commodities in large exportable quantities will be hoping—as I hope—that the provision will prove to be an effective tool to give better protection to those products than they have had and, above all, more effective representation from the executive department, the State Department, and even the Department of Agriculture, which has been uniformly friendly and helpful.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield to the distinguished Senator from Delaware.

Mr. WILLIAMS of Delaware. I thank the Senator from Florida for his remarks. I agree completely with his analysis of the amendment and its importance to those engaged in the field of agriculture. For the first time we are arming the President of the United States with adequate authority to give proper protection to the export of American agricultural products. I consider this amendment one of the most important provisions in the bill. I am delighted that the Senate accepted that provision in substance as the committee approved it.

Mr. HOLLAND. I thank my distinguished friend. I again congratulate him warmly. He has rendered a real service to the producers of all highly perishable crops in the United States. I am talking not only about chickens from the Delmarva Peninsula, or citrus products from Florida or citrus products from Arizona and California. I refer also to the deciduous crops grown in many parts of our country. I refer to agricultural products grown in the Pacific Northwest, in Virginia, in New York, and in various other areas. I am talking about the producers of prunes and other dried fruits. I am talking about the producers of the very fine canning peach which is produced in California and elsewhere, but particularly in California.

We have had a hard road to travel. I see some friends here from States in which cherries are produced. I see Senators representing States in which milk products are produced. We have had a hard road to travel since World War II, because there has not been the aggressive representation for which we have hoped.

I now express the view that with the new tool which we are providing we shall be entitled to more aggressive representation, and that we shall get more effective results.

I yield again to the distinguished Senator from Delaware.

Mr. WILLIAMS of Delaware. Mr. President, again I concur in the statement of the distinguished Senator from Florida. The amendment was not directed to provide protection to just one segment of American agriculture. It is true that I had a primary interest in the amendment as it would affect the export of poultry and certain other commodities produced in our State. But the amendment is broad in its language. It covers all agricultural commodities as they are produced in any of the 50 States of the Union.

Mr. HOLLAND. Mr. President, I again thank the Senator for his quite correct remarks.

On a slightly different aspect of the situation, I ask unanimous consent to have printed at this point in the RECORD section 353, which is a very great departure from anything that the Congress has ever done before by way of granting power to the Executive in the field of trade.

There being no objection, the section was ordered to be printed in the RECORD, as follows:

SEC. 353. ADDITIONAL AUTHORITY TO INCREASE TARIFFS AND IMPOSE QUOTAS.

Notwithstanding any other provision of law, the President may, when he finds it in the national interest, proclaim with respect to any article imported into the United States—

(1) the increase of any existing duty on such article to such rate as he finds necessary,

(2) the imposition of a duty on such article (if it is not otherwise subject to duty) at such rate as he finds necessary, and

(3) the imposition of such other import restrictions as he finds necessary.

Mr. HOLLAND. That section, if applied other than for the protection of American industry and other than for retaliation, if such is needed against those who would impose upon us, would be an unthinkable addition to our body of legislative law. I call attention only briefly to the fact that, among other things, the President would be allowed under this section, which is a Senate amendment, notwithstanding any other provision of law, when he finds it in the national interest to proclaim "(2) the imposition of a duty (if it is not otherwise subject to duty) at such rate as he finds necessary."

In other words, in instances in which Congress had not found it to be necessary heretofore, the provision would allow the President to create a tariff.

Such a broad grant of authority would be, to the Senator from Florida, without understanding of its limitations, such an obstruction and such a hurdle that I could not cross it in voting for the bill. I understand from discussing the provision with members of the committee and from the debate that it is to be used solely for the protection of American industry and as retaliation against those who would impose on American industry in those extreme cases that would be covered by the early part of this section. I wish the legislative history to show that, at least so far as the Senator from Florida is concerned, he could not support the bill, including that section, except upon his understanding that it is in the bill solely as a defensive tool, for the protection of American industry, agriculture and labor, and solely to be used when strong opposing methods are required, when others try to impose upon us and upon our products.

Mr. President, I hope—and I am sure every other Senator hopes—that the bill, including the two sections which I have mentioned and the other broad and generous grants of power, will be wisely used and vigorously used, and will make an effective contribution to building the strength of American foreign trade and to keeping that strength on as high a level as it is possible to keep it.

The VICE PRESIDENT. The time previously agreed upon for the vote on the passage of the bill having arrived, the question is, Shall the bill pass?

Several Senators requested the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll on the question of the passage of the bill.

The legislative clerk called the roll.

Mr. SPARKMAN. On this vote I have a pair with the senior Senator from Indiana [Mr. CAPEHART]. If he were present and voting, he would vote "nay." If I were at liberty to vote, I would vote "yea." I withhold my vote.

Mr. YOUNG of North Dakota (after having voted in the negative). I have a pair with the senior Senator from Oregon [Mr. MORSE]. If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I withdraw my vote.

Mr. HUMPHREY. I announce that the Senator from Nevada [Mr. CANNON], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Arkansas [Mr. MCCLELLAN], the Senator from Oregon [Mr. MORSE], and the Senator from Oregon [Mrs. NEUBERGER] are absent on official business.

I further announce that the Senator from Alaska [Mr. GRUENING] is necessarily absent.

On this vote, the Senator from Nevada [Mr. CANNON] is paired with the Senator from Texas [Mr. TOWER]. If present and voting, the Senator from Nevada would vote "yea," and the Senator from Texas would vote "nay."

On this vote, the Senator from Alaska [Mr. GRUENING] is paired with the Senator from Nebraska [Mr. HRUSKA]. If present and voting, the Senator from Alaska would vote "yea," and the Senator from Nebraska would vote "nay."

On this vote the Senator from Oregon [Mrs. NEUBERGER] is paired with the Senator from New Hampshire [Mr. MURPHY]. If present and voting, the Senator from Oregon would vote "yea," and the Senator from New Hampshire would vote "nay."

Mr. KUCHEL. I announce that the Senator from South Dakota [Mr. BOTTUM], the Senator from Indiana [Mr. CAPEHART], the Senator from Nebraska [Mr. HRUSKA], the Senator from Kentucky [Mr. MORTON], and the Senator from New Hampshire [Mr. MURPHY] are necessarily absent.

The Senator from Texas [Mr. TOWER] is necessarily absent, attending the Republican State convention as required by Texas law.

On this vote, the Senator from South Dakota [Mr. BOTTUM] is paired with the Senator from Kentucky [Mr. MORTON]. If present and voting, the Senator from South Dakota would vote "nay," and the Senator from Kentucky would vote "yea."

On this vote, the Senator from Nebraska [Mr. HRUSKA] is paired with the Senator from Alaska [Mr. GRUENING]. If present and voting, the Senator from Nebraska would vote "nay," and the Senator from Alaska would vote "yea."

On this vote, the Senator from New Hampshire [Mr. MURPHY] is paired with the Senator from Oregon [Mrs. NEUBERGER]. If present and voting, the Senator from New Hampshire would vote "nay," and the Senator from Oregon would vote "yea."

On this vote, the Senator from Texas [Mr. TOWER] is paired with the Senator from Nevada [Mr. CANNON]. If present and voting, the Senator from Texas would vote "nay," and the Senator from Nevada would vote "yea."

The pair of the Senator from Indiana [Mr. CAPEHART] has been previously announced.

The result was announced—yeas 78, nays 8, as follows:

[No. 268 Leg.]

YEAS—78

Aiken	Gore	Metcalf
Allott	Hart	Miller
Anderson	Hartke	Monroney
Bartlett	Hayden	Moss
Beall	Hickenlooper	Muskie
Bible	Hickey	Pastore
Boggs	Hill	Pearson
Burdick	Holland	Pell
Butler	Humphrey	Prouty
Byrd, Va.	Jackson	Proxmire
Byrd, W. Va.	Javits	Randolph
Carlson	Johnston	Robertson
Carroll	Jordan, N.C.	Russell
Case	Keating	Saltonstall
Chavez	Kefauver	Scott
Church	Kerr	Smathers
Clark	Kuchel	Smith, Mass.
Cooper	Lausche	Smith, Maine
Dirksen	Long, Mo.	Stennis
Dodd	Long, Hawaii	Symington
Douglas	Long, La.	Talmadge
Eastland	Magnuson	Wiley
Ellender	Mansfield	Williams, N.J.
Engle	McCarthy	Williams, Del.
Ervin	McGee	Yarborough
Fong	McNamara	Young, Ohio

NAYS—8

Bennett	Curtis	Mundt
Bush	Goldwater	Thurmond
Cotton	Jordan, Idaho	

NOT VOTING—14

Bottum	Hruska	Neuberger
Cannon	McClellan	Sparkman
Capehart	Morse	Tower
Fulbright	Morton	Young, N. Dak.
Gruening	Murphy	

So the bill (H.R. 11970) was passed.

Mr. MANSFIELD. Mr. President, I move that the Senate reconsider the vote by which the bill was passed.

Mr. KERR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD of Virginia. Mr. President, I ask unanimous consent that the bill (H.R. 11970) be printed with the amendments of the Senate numbered; and that in the engrossment of the amendments of the Senate to the bill the Secretary of the Senate be authorized to make all necessary technical and clerical changes and corrections, including corrections in section, subsection, and so forth, designations, and cross references thereto.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. BYRD of Virginia. Mr. President, I move that the Senate insist upon its amendments and request a conference thereon with the House of Representatives, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. BYRD of Virginia, Mr. KERR, Mr. LONG of Louisiana, Mr. SMATHERS, Mr. WILLIAMS of Delaware, Mr. CARLSON, and Mr. CURTIS conferees on the part of the Senate.

LEGISLATIVE PROGRAM

Mr. DIRKSEN. Mr. President, I should like to ask the majority leader about the schedule for the remainder of today and also for tomorrow, if he can inform us about it now.

Mr. MANSFIELD. Mr. President, it is the intention to have the Senate proceed, first, to consideration of the Treaty of Friendship, Establishment, and Navigation Between the United States and Luxembourg.

It is the intention of the leadership to have the Senate take up, thereafter, the conference report on the United Nations bond issue measure, which, as Senators know, has now been passed by both Houses. I understand that the conferees have agreed to the House version.

After that, it is planned to have the Senate take up the Quincy project bill, in which the Senator from Colorado [Mr. ALLOTT] and the Senator from Iowa [Mr. MILLER] are interested.

It is the intention to have the Senate take up, after that, the aquarium bill, Calendar No. 1741, House bill 8181.

That may be enough for the session today, unless there is time to take up some of the measures on the calendar to which there is no objection.

Tomorrow the leadership will decide when to have the Senate take up the Cuban resolution, which I understand was reported today by the Armed Services Committee.

It is hoped that at some time it will be possible to comply with the request of the Senator from Washington [Mr. MAGNUSON] and the Senator from Delaware [Mr. WILLIAMS] to reach the so-called maritime bills, which are piling up rapidly for want of agreement between those two Senators.

Mr. DIRKSEN. I should like to ask the majority leader whether he anticipates a late session this evening.

Mr. MANSFIELD. I do not.

Mr. DIRKSEN. I am delighted to hear that.

I should like to ask when the independent offices appropriation bill conference report may be brought to the floor.

Mr. MANSFIELD. I shall try to supply that information later, for the RECORD, or to make an announcement about it. But at the moment I do not know; and at the moment I do not see in the Chamber the chairman of the subcommittee.

Mr. KEATING. Let me ask whether it is the intention to have the confer-

ence report on House bill 10 taken up soon.

Mr. MANSFIELD. It is my understanding that it will be taken up in the House either today or tomorrow.

Mr. KEATING. And after that to have it taken up in the Senate?

Mr. MANSFIELD. Yes.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of executive business, to consider the Treaty of Friendship, Establishment, and Navigation, Between the United States of America and the Grand Duchy of Luxembourg.

The motion was agreed to, and the Senate proceeded to consideration of executive business.

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. BIBLE, from the Committee on the District of Columbia:

Morris Miller, of the District of Columbia, to be chief judge of the juvenile court of the District of Columbia; and

Marjorie McKenzie Lawson, of the District of Columbia, to be associate judge of the juvenile court of the District of Columbia.

By Mr. KEATING, from the Committee on the Judiciary:

Irving Ben Cooper, of New York, to be U.S. district judge for the southern district of New York; and

Inzer B. Wyatt, of New York, to be U.S. district judge for the southern district of New York.

By Mr. HILL, from the Committee on Labor and Public Welfare:

W. Willard Wirtz, of Illinois, to be Secretary of Labor.

TREATY OF FRIENDSHIP, ESTABLISHMENT, AND NAVIGATION, WITH LUXEMBOURG

The VICE PRESIDENT. If there be no further reports of committees, the treaty will be stated.

Mr. MANSFIELD. Mr. President, the treaty was reported unanimously from the Foreign Relations Committee. The acting chairman of the committee, the Senator from Alabama [Mr. SPARKMAN], is prepared to explain the treaty briefly, and there will be a yea-and-nay vote on the question of agreeing to the resolution of ratification.

I now ask unanimous consent that the Senate proceed to the consideration of the Treaty of Friendship, Establishment, and Navigation Between the United States of America and the Grand Duchy of Luxembourg.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the Treaty, Executive B (87th Cong., 2d sess.), of Friendship, Establishment, and Navigation Between the United States of America and the Grand Duchy of Luxembourg, which was read the second time, as follows:

TREATY OF FRIENDSHIP, ESTABLISHMENT, AND NAVIGATION BETWEEN THE UNITED STATES OF AMERICA AND THE GRAND DUCHY OF LUXEMBOURG

The President of the United States of America and Her Royal Highness the Grand Duchess of Luxembourg, desirous for strengthening the bonds of peace and friendship traditionally existing between their two countries and of encouraging closer economic and cultural relations between the two peoples, and being cognizant of the contributions which may be made toward these ends by arrangements specifying mutually accorded rights and privileges and promoting mutually advantageous commercial intercourse and investments, have resolved to conclude a Treaty of Friendship, Establishment and Navigation, and for that purpose have appointed as their Plenipotentiaries,

The President of the United States of America: His Excellency Mr. James W. Wine, Ambassador Extraordinary and Plenipotentiary of the United States of America in Luxembourg, and Her Royal Highness the Grand Duchess of Luxembourg: His Excellency Mr. Eugène Schaus, Minister of Foreign Affairs, who, having communicated to each other their full powers found to be in good and due form, have agreed as follows:

ARTICLE I

Each Contracting Party shall at all times accord equitable treatment and effective protection to the persons, property, enterprises, rights and interests of nationals and companies of the other Party.

ARTICLE II

1. Nationals of either Contracting Party shall, subject to the laws relating to the entry, sojourn and establishment of aliens, be permitted to enter the territories of the other Party, to travel therein freely, and to reside and establish themselves at places of their choice. Nationals of either Party shall in particular be permitted to enter the territories of the other Party and to reside therein:

(a) for the purposes of carrying on trade between the two countries and engaging in related commercial activities; or

(b) for the purpose of developing and directing the operations of an enterprise in which they have invested, or are actively in the process of investing, a substantial amount of capital.

2. Nationals of either Party and nationals of third countries en route to or from the territories of such Party shall, subject to the reservation in paragraph 1 of the present article, be accorded freedom of transit for themselves and their baggage through the territories of the other Party by the routes most convenient for international transit. In particular, they shall be free from requirements that entail unnecessary delays and impediments. They shall be subject, however, to regulations with respect to their baggage that are applicable to aliens generally in order to prevent abuse of the transit privilege.

3. Nationals of either Party, within the territories of the other Party, shall enjoy freedom of conscience; and they shall be at liberty to hold religious services, both public and private, at suitable places of their choice.

4. Nationals of either Party shall be permitted, within the territories of the other Party to gather information material for dissemination to the public abroad, and shall enjoy freedom of transmission of such material to be used for publication by the press, radio, television, motion pictures and other means; and they shall be permitted to communicate freely with other persons inside and outside such territories by mail, telegraph and other means open to general public use.

5. The provisions of the present article shall be subject to the right of either Party to apply measures that are necessary to maintain public order and protect the public health, morals and safety.

ARTICLE III

1. Nationals of either Contracting Party within the territories of the other Party shall be accorded full legal and judicial protection for their persons, rights and interests. Such nationals shall be free from molestation and shall receive constant protection, in no case less than that required by international law.

2. To this end they shall in particular have right of access, on the same basis and on the same conditions as nationals of such other Party, to the courts of justice and administrative tribunals and agencies in all degrees of jurisdiction and shall have right to the services of competent persons of their choice.

3. The provisions of paragraphs 1 and 2 of the present article shall extend and apply in the same manner to companies. It is understood, moreover, that the right of such access shall be enjoyed without any requirement of registration or domestication:

(a) in the case of Luxembourg companies not engaged in activities in the territories of the United States of America; and

(b) in the case of United States companies not established in the territories of the Grand Duchy of Luxembourg.

4. If a national of either Party is taken into custody within the territories of the other Party, the nearest consular representative of his country shall on the demand of such national be immediately notified and shall have the right to visit and communicate with such national without unnecessary delay. Such national shall:

(a) receive reasonable and humane treatment, in no case less than that required by international law;

(b) be formally and immediately informed of the charges against him; and

(c) be brought to trial as rapidly as is consistent with the proper preparation of his defense, for which he shall enjoy all reasonable means, including the services of competent counsel.

5. The dwellings, offices, warehouses, factories and other premises of nationals and companies of either Party located within the territories of the other Party shall not be subject to searches or measures other than those permitted by law and in execution of law. Official searches and examinations of such premises and their contents, when necessary, shall be made according to law and with careful regard for the convenience of the occupants and the conduct of business.

6. Contracts entered into between nationals and companies of either Party and nationals and companies of the other Party, that provide for the settlement by arbitration of controversies, shall not be deemed unenforceable within the territories of such other Party merely on the grounds that the place designated for the arbitration proceedings is outside such territories or that the nationality of one or more of the arbitrators is not that of such other Party. No award duly rendered pursuant to any such contract, and final enforceable under the laws of the place where rendered, shall be deemed invalid and denied effective means of enforcement by the authorities of either Party merely on the grounds that the place where such award was rendered is outside the territories of such Party or that the nationality

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE

(For information only; should not be quoted or cited)

Issued Sept. 21, 1962
For actions of Sept. 20, 1962
87th-2d No. 170

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HIGHLIGHTS: House agreed to conference report on farm bill. Senate agreed to vote on farm bill conference report Tues., 9-25, 3 p.m. Sen. Williams, Del., charged certain USDA employees abuse leave privileges. House passed foreign aid appropriation bill. House Rules Committee cleared bill to further restrict employment of children in agriculture. Rep. Aspinall defended his committee's action on wilderness bill. Sen. Curtis criticized effects of rail strike on shipment of farm products in Midwest. Senate committee received permission to report pay bill. Sen. Engle commended Calif. counties four-point program to aid lumber industry. Rep. Cooley commended Secretary Freeman and inserted article.

HOUSE

1. FARM PROGRAM. By a vote of 202 to 197, agreed to the conference report on H. R. 12391, the proposed Food and Agriculture Act of 1962. See Digest No. 167 for a summary of this bill. pp. 18989-9014

2. FOREIGN TRADE. Conferees were appointed on H. R. 11970, the proposed Trade Expansion Act of 1962. Senate conferees have been appointed. p. 18987

3. MIGRANT LABOR. The "Daily Digest" states that the Rules Committee "Granted an open rule, with 1 hour of debate, on S. 1123, to amend the Fair Labor Standards Act of 1938, to extend the child labor provisions thereof to certain children employed in agriculture," and that the committee "Denied a rule on S. 1126, to provide for the registration of contractors of migrant agricultural workers." p. D873

4. MIGRATORY BIRDS. The Merchant Marine and Fisheries Committee voted to report (but did not actually report) with amendment S. 3504, to provide for alternate representation of secretarial officers on the Migratory Bird Conservation Commission. p. D873

5. WILDERNESS. Rep. Aspinall defended his committee's action on H. R. 776, the wilderness bill, and said, " ... the extremists have ... created an atmosphere which makes impossible the enactment of any wilderness legislation during this Congress." pp. 19079-82

6. TRANSPORTATION. Received the conference report on S. 320, to amend the Interstate Commerce Act so as to permit State commissions to grant the right to motor common carriers operating within a single State to engage in interstate or foreign operations within the State (H. Rept. 2439). pp. 18987-8, 19105

7. FOREIGN AID APPROPRIATION BILL, 1963. By a vote of 249 to 144, passed with amendment this bill, H. R. 13175. This bill includes $225,000,000 for development grants, $30,000,000 for investment guaranties, $525,000,000 for Alliance for Progress, $775,000,000 for development loans, $52,000,000 for the Peace Corps, and $2,000,000 for the International Monetary Fund. pp. 19030-68

8. LAW; COURTS. Concurred in the Senate amendments (with amendments) to H. R. 1960, to make it possible to bring actions against Government officials and agencies in U. S. district courts outside D. C., which, because of certain existing limitations on jurisdiction and venue, may now be brought only in the U. S. District Court for D. C. pp. 18988-9

9. EDUCATION. By a vote of 214 to 186, recommitted with instructions the conference report on H. R. 8900, the proposed College Academic Facilities and Student Assistance Act. pp. 19015-30

10. MINERALS. Received the conference reports on H. R. 8134, to effect a statutory withdrawal of certain former Taylor Grazing Act lands near Phoenix, Ariz., from all forms of entry under the public land laws (H. Rept. 2451), and H. R. 10566, to provide for the withdrawal and orderly disposition of mineral interests in certain public lands in Pima County, Ariz. (H. Rept. 2452). pp. 10969-70, 19105

Concurred in the Senate amendments to H. R. 11266, to extend to Alaska the provisions governing the disposition of public lands under the townsite laws so as to permit tracts of land in Alaska to be sold subject to a reservation of the U. S. of coal, oil, and gas. This bill will now be sent to the President. p. 19073

11. CLAIMS. Received from the President supplemental appropriation estimate to pay claim and judgments against the U. S. (H. Doc. 558). p. 19105

12. RECLAMATION. Passed without amendment S. 1023, to provide for the construction, operation, and maintenance of additional features of the Talent division of the Rogue River Basin reclamation project, Ore. This bill will now be sent to the President. p. 19070

Passed as reported H. R. 7811, to amend the act authorizing the Crooked River Federal reclamation project to provide for the irrigation of additional lands, and S. 1060, to authorize the Secretary of Interior to construct, operate and maintain the Oroville-Tonasket unit of the Okanogan-Similkameen division, Chief Joseph Dam project, Wash. pp. 19070-2

13. GOVERNMENT OPERATIONS. Rep. Dawson submitted the 24th Report of the Committee on Government Operations (H. Rept. 2440). p. 19105

H.R. 5144. An act to provide for the acquisition of and the payment for individual Indian and tribal lands of the Lower Brule Sioux Reservation in South Dakota, required by the United States for the Big Bend Dam and Reservoir project on the Missouri River, and for the rehabilitation, social, and economic development of the members of the tribe, and for other purposes; and

H.R. 5165. An act to provide for the acquisition of and the payment for individual Indian and tribal lands of the Crow Creek Sioux Reservation in South Dakota, required by the United States for the Big Bend Dam and Reservoir project on the Missouri River, and for the rehabilitation, social, and economic development of the members of the tribe, and for other purposes.

CORRECTION OF ROLLCALL

Mr. PERKINS. Mr. Speaker, in yesterday's RECORD, September 19, on rollcall No. 229, page 18838, I am recorded as being absent. I was present and answered to my name, and I ask unanimous consent that the permanent RECORD be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

TRADE EXPANSION ACT OF 1962

Mr. MILLS. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 11970) an act to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes, with Senate amendments thereto, and agree to the conference requested by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. MILLS, KING of California, BOGGS, KEOGH, MASON, BYRNES of Wisconsin, and BAKER.

CALL OF THE HOUSE

Mr. HALL. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 234]

Bass, N.H.	Harsha	Powell
Blatnik	Hébert	Riley
Blitch	Hoffman, Mich.	Rivers, Alaska
Bromwell	Hull	Rogers, Colo.
Buckley	Kearns	Rousselot
Celler	Kowalski	St. Germain
Curtin	McDonough	Saund
Curtis, Mass.	McSween	Scranton
Davis, James C.	McVey	Shipley
	Magnuson	Sikes
Davis, Tenn.	Martin, Mass.	Smith, Calif.
Dawson	Merrow	Smith, Miss.
Diggs	Moeller	Spence
Dooley	Morris	Thompson, La.
Doyle	Morrison	Ullman
Edmondson	Moulder	Weis
Fino	Norrell	Whalley
Garland	O'Brien, Ill.	Wilson, Calif.
Gray	Pilcher	Zelenko

The SPEAKER. On this rollcall 374 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

INTRASTATE MOTOR CARRIERS IN INTERSTATE COMMERCE

Mr. HARRIS submitted the following conference report and statement on the bill (S. 320) to amend the provisions contained in part II of the Interstate Commerce Act concerning registration of State certificates whereby a common carrier by motor vehicle may engage in interstate and foreign commerce within a State:

CONFERENCE REPORT (H. REPT. No. 2439)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 320) to amend the provisions contained in part II of the Interstate Commerce Act concerning registration of State certificates whereby a common carrier by motor vehicle may engage in interstate and foreign commerce within a State, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment, insert the following: "That paragraph (1) of subsection (a) of section 206 of the Interstate Commerce Act is amended by striking out the last two sentences and by inserting in lieu thereof the following: 'Pending the determination of any such application the continuance of such operation shall be lawful.'

"SEC. 2. Subsection (a) of section 206 of the Interstate Commerce Act is amended by adding at the end thereof the following new paragraphs:

"'(6) On and after the date of the enactment of this paragraph no certificate of public convenience and necessity under this part shall be required for operations in interstate or foreign commerce by a common carrier by motor vehicle operating solely within a single State and not controlled by, controlling, or under a common control with any carrier engaged in operations outside such State, if such carrier has obtained from the commission of such State authorized to issue such certificates, a certificate of public convenience and necessity authorizing motor vehicle common carrier operations in intrastate commerce and such certificate recites that it was issued after notice to interested persons through publication in the Federal Register of the filing of the application and of the desire of the applicant also to engage in transportation in interstate and foreign commerce within the limits of the intrastate authority granted, that reasonable opportunity was afforded interested persons to be heard, that the State commission has duly considered the question of the proposed interstate and foreign operations and has found that public convenience and necessity require that the carrier authorized to engage in intrastate operations also be authorized to engage in operations in interstate and foreign commerce within limits which do not exceed the scope of the intrastate operations authorized to be conducted. Such operations in interstate and foreign commerce shall, however, be subject to all other applicable requirements of this Act and the regulations prescribed hereunder. Such rights to engage in operations in interstate or foreign commerce shall be evidenced by appropriate certificates of registration issued by the Commission which shall be valid only so long as the holder is a carrier engaged in operations solely within a single State, not controlled by, controlling, or under a common control with a carrier engaged in operation outside such State, and except as provided in section 5 and in the conditions and limitations stated herein, may be transferred pursuant to such rules and regulations as may be prescribed by the Commission, but may not be transferred apart from the transfer of the corresponding intrastate certificate, and the transfer of the intrastate certificate without the interstate or foreign rights shall terminate the right to engage in interstate or foreign commerce. The termination, restriction in scope, or suspension of the intrastate certificate shall on the 180th day thereafter terminate or similarly restrict the right to engage in interstate or foreign commerce unless the intrastate certificate shall have been renewed, reissued, or reinstated or the restrictions removed within said one hundred eighty-day period. Such rights shall be subject to suspension or termination by the Commission in accordance with the provisions of this Act governing the suspension and termination of certificates issued by the Commission. The Commission may impose reasonable requirements with respect to the filing with it of certified copies of such State certificates and other appropriate statements and data, and compliance with applicable requirements established by and under the authority of statutes applicable to interstate and foreign operations administered by the Commission, as conditions precedent to engaging in interstate and foreign operations under the authority of such State certificate. In accordance with such reasonable rules as may be prescribed by the Commission, any party in interest, who or which opposed in the State commission proceeding the authorization of operations in interstate or foreign commerce, may petition the Commission for reconsideration of the decision of the State commission authorizing operations in interstate or foreign commerce, and upon such reconsideration upon the record made before the State commission, the Commission may affirm, reverse, or modify the decision of the State commission, but only with respect to the authorization of operations in interstate and foreign commerce.

"'(7)(A) In the case of any person who or which on the date of the enactment of this paragraph was in operation solely within a single State as a common carrier by motor vehicle in intrastate commerce (excluding persons controlled by, controlling, or under a common control with, a carrier engaged in operations outside such State), and who or which was also lawfully engage in such operations in interstate or foreign commerce under the certificate exemption provisions of the second proviso of paragraph (1) of this subsection, as in effect immediately before the date of the enactment of this paragraph or who or which would have been so lawfully engaged in such operations but for the pendency of litigation to determine the validity of such person's intrastate operations to the extent such litigation is resolved in favor of such person, and has continued to so operate since that date (or if engaged in furnishing seasonal service only, was lawfully engaged in such operations in the year 1961 during the season ordinarily covered by its operations, and such operations have not been discontinued), except in either instance as to interruptions of service over which such person had no control, the Commission shall issue to such person a certificate of registration authorizing the continuance of such transportation in interstate and foreign commerce if application and proof of operations are submitted as provided in this subsection. Such

certificate of registration shall not exceed in scope the services authorized by the State certificate to be conducted in intrastate commerce, and shall be subject to the same terms, conditions, and limitations as are contained in or attached to the State certificate except to the extent that such terms, conditions, or limitations are inconsistent with the requirements established by or under this Act. If the effectiveness of the State certificate is limited to a specified period of time, the certificate of registration issued under this paragraph (7) shall be similarly limited. Operations in interstate and foreign commerce under such certificates of registration shall be subject to all other applicable requirements of this Act and the regulations prescribed hereunder. Certificates of registration shall be valid only so long as the holder is a carrier engaged in operation solely within a single State, not controlled by, controlling, or under a common control with a carrier engaged in operation outside such State, and except as provided in section 5 and in the conditions and limitations stated herein, may be transferred pursuant to such rules and regulations as may be prescribed by the Commission, but may not be transferred apart from the transfer of the corresponding intrastate certificate, and the transfer of the intrastate certificate without the interstate or foreign rights shall terminate the right to engage in interstate or foreign commerce. The termination, restriction in scope, or suspension of the intrastate certificate shall on the 180th day thereafter terminate or similarly restrict the right to engage in interstate or foreign commerce unless the intrastate certificate shall have been renewed, reissued, or reinstated or the restrictions removed within said one hundred and eighty-day period. Such certificates of registration shall be subject to suspension or termination by the Commission in accordance with the provisions of this Act governing the suspension and termination of certificates of public convenience and necessity issued by the Commission.

"'(B) All rights to engage in operations in interstate and foreign commerce under the provisions of the second proviso of paragraph (1) of this subsection, as in effect immediately before the date of the enactment of this paragraph, shall cease and terminate, but any carrier lawfully engaged in interstate and foreign operations on the date of the enactment of this paragraph or any carrier who would have been so lawfully engaged in such operations but for the pendency of litigation to determine the validity of such person's intrastate operations to the extent such litigation is resolved in favor of such person, pursuant to such provisions, may continue such operations for 120 days after such date and, if appropriate application for a certificate of registration is filed within such period, such operations may be continued pending the determination of such application. The Commission shall prescribe the form of such application, the information and documents to be furnished, the manner of filing, and the persons to whom or the manner of giving notice to interested persons of such filings. Issues arising in the determination of such applications shall be determined in the most expeditious manner and, so far as practicable and legally permissible, without formal hearings or other proceedings. A notice of intent to engage in interstate and foreign operations accompanied by certified copies of effective, lawfully issued or acquired State certificates filed with the Commission as evidence of authority to operate in interstate or foreign commerce under the provisions of the second proviso of paragraph (1) of this subsection, as in effect immediately before the date of the enactment of this paragraph, shall be conclusive proof that the applicant is lawfully engaged in interstate and foreign operations and the scope thereof.'"

And the House agree to the same.

OREN HARRIS,
JOHN BELL WILLIAMS,
HARLEY O. STAGGERS,
SAMUEL N. FRIEDEL,
JOHN B. BENNETT,
WILLIAM L. SPRINGER,
HAROLD R. COLLIER,
Managers on the Part of the House.

GEORGE A. SMATHERS,
VANCE HARTKE,
GALE W. MCGEE,
THRUSTON B. MORTON,
JOHN MARSHALL BUTLER,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 320) to amend the provisions contained in part II of the Interstate Commerce Act concerning registration of State certificates whereby a common carrier by motor vehicle may engage in interstate and foreign commerce within a State, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Except for two changes, the bill as agreed to in conference is the same as the House amendment. The House amendment added new paragraphs (6) and (7) to subsection (a) of section 206 of the Interstate Commerce Act and repealed the second proviso to such subsection. These new paragraphs provide a procedure by which common carriers by motor vehicle which are certificated to engage in operations wholly within a State may be certificated for coextensive operations in interstate or foreign commerce. Paragraph (6) applies to motor carriers which after the date of enactment of this legislation will for the first time engage in such operations in interstate or foreign commerce. Paragraph (7) is a "grandfather provision" which applies to motor carriers which on the date of enactment of this legislation are engaged in operations in interstate or foreign commerce wholly within a State under the second proviso to section 206(a)(1) of the Interstate Commerce Act which this legislation repeals.

The changes from the House amendment made by the bill as agreed to in conference consist of deleting two amendments which were adopted on the House floor. These amendments were identical in text and were inserted in paragraphs (6) and (7). They read as follows: "If, however, during the six-month period of termination, restriction in scope or suspension of the State certificate the holder of the corresponding certificate of registration has continuously performed the interstate operations authorized thereunder such certificate of registration can only be suspended, revoked, or terminated by the Commission in accordance with the provisions of the Act governing such suspensions, revocations, or terminations of certificates issued by the Commission: *Provided, however,* That under all other circumstances * * *".

These amendments which the Senate conferees refused to accept would have provided that, if the certificate holder carried on his interstate operations continuously during the 180-day period after his intrastate certificate was terminated, restricted in scope, or suspended, his certificate authorizing him to carry on such interstate operations could only be suspended, revoked, or terminated by the Interstate Commerce Commission after formal proceedings as prescribed in the Interstate Commerce Act. The Interstate Commerce Commission was also strongly opposed to these amendments.

OREN HARRIS,
JOHN BELL WILLIAMS,
HARLEY O. STAGGERS,
SAMUEL N. FRIEDEL,
JOHN B. BENNETT,
WILLIAM L. SPRINGER,
HAROLD R. COLLIER,
Managers on the Part of the House.

CORRECTION OF ROLLCALL

Mr. MILLER of New York. Mr. Speaker, on rollcall No. 229, a quorum call, I am recorded as absent. I was present and answered to my name.

I ask unanimous consent that the permanent RECORD and Journal be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

TO AMEND CHAPTER 85 OF TITLE 28 OF THE UNITED STATES CODE

Mr. FORRESTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill, H.R. 1960, with Senate amendments thereto and consider the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, line 5, strike out "his duty.'" and insert "a duty owed to the plaintiff or to make a decision in any matter involving the exercise of discretion.'"

Page 2, strike out lines 12 to 18, inclusive, and insert:

"'(e) A civil action in which each defendant is an officer or employee of the United States or any agency thereof acting in his official capacity or under color of legal authority, or an agency of the United States, may, except as otherwise provided by law, be brought in any judicial district in which: (1) a defendant in the action resides, or (2) the cause of action arose, or (3) any real property involved in the action is situated, or (4) the plaintiff resides if no real property is involved in the action."

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

Mr. POFF. Mr. Speaker, reserving the right to object, inasmuch as there is departmental approval of the measure and inasmuch as there is complete support for the measure on this side of the aisle, I shall not object. However, I take this time to ask the chairman of the subcommittee, the gentleman from Georgia [Mr. FORRESTER], to make a brief explanation of the Senate amendments.

Mr. FORRESTER. Mr. Speaker, will the gentleman yield?

Mr. POFF. I yield to the gentleman from Georgia.

Mr. FORRESTER. Mr. Speaker, the Senate has proposed three changes in the bill as it passed the House.

First, in respect to section 1 of the bill which deals with an action to compel an officer to perform his duty, the Senate amended the House bill to spell

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE

(For information only; should not be quoted or cited)

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HIGHLIGHTS: Rep. Latta criticized farm program. Rep. Hall inserted his recommendations for farm program. Received from this Department proposed bill for additional Assistant Secretary. Senate continued debate on pay bill. Sen. Humphrey discussed problems of foreign trade. Senate subcommittee voted to report public works appropriation bill. Conferees agreed to file conference report on foreign trade bill.

HOUSE

1. AGRICULTURAL APPROPRIATION BILL, 1963. The "Daily Digest" states that "Conferees met in executive session on certain amendments in disagreement between the Senate and House on H R. 12648, fiscal 1963 appropriations for the Department of Agriculture, but did not resolve these differences, and recessed subject to call." p. D897

2. ASSISTANT SECRETARY. Received from this department a proposed bill "to establish an additional office of Assistant Secretary of Agriculture"; to Agriculture Committee. p. 19800

3. GOVERNMENT OPERATIONS. The Government Operations Committee issued a report pertaining to contract operations (H. Rept. 2480), and a report pertaining to decentralizing Federal activities (H. Rept. 2481). p. 19800

4. FARM PROGRAM. Rep. Latta criticized the farm program saying, "this latest administration concoction for American agriculture seeks to lure farmers into its 1963 program ... hoping to keep them there until 1964 when it lowers the boom

on them as well as the consuming public." p. 19780
Rep. Hall inserted the recommendations of a farm advisory council appointed by him to study the farm problem in his district. pp. 19781-3

5. APPROPRIATIONS. The Appropriations Committee was granted permission to submit for immediate consideration a further continuing resolution on Friday, Sept. 28. p. 19702

6. EMPLOYMENT. Rep. Curtis, Mo., inserted an editorial, "Creating Jobs--Federal Role Should be to Smooth Way for Private Enterprise." pp. 19776-80

7. FOREIGN TRADE. The "Daily Digest" states that "Conferees, in executive session, agreed to file a conference report on the differences between the Senate- and House-passed versions of H R. 11970, proposed Trade Expansion Act of 1962." p. D897

8. WATERSHEDS. The "Daily Digest" states that the Agriculture Committee "Met in executive session and approved the following watershed projects: Anasco River, P.R.; Bayou Folse, La.; Bee Creek, Kans.; Big Indian Creek, Nebr.; Big Muddy Creek, Ky.; Big Wyacondah, Iowa; Crooked Bayou, Ark.; Duncan Creek, S.C.; Hardin Creek, Tenn.; Kaercher Creek, Pa.; Lattas Creek, Ind.; Line Creek, Tenn.; Lower Forest River, N. Dak.; Middle Caney, Kans.; Neshobe River, Vt.; Saltlick Creek, W. Va.; Stucker Fork, Ind.; Upper Bogue Phalia, Miss.; Upper Quaboag River, Mass.; West Fork of Pond River, Ky.; and Silver Creek, Kans. Passed over without prejudice the Big Creek, Tex., project." p. D896

9. PERSONNEL. Rep. Beckworth inserted a table of temporary employment in selected Government agencies, summer 1959, and criticized current practices. pp.19754-6
Rep. Lane commended pay raise for Federal employees. p. 19762

10. FISHERIES. The Subcommittee on Merchant Marine of the Merchant Marine and Fisheries Committee voted to report to the full committee with amendment H. R. 12968, to amend Sec. 901(b) of the Merchant Marine Act, 1936, to eliminate certain time limitations. p. D896

SENATE

11. PERSONNEL. Continued debate on H. R. 7927, the Federal pay and postal rate inbill (pp. 19595-7, 19661-74, 19683-97). As reported by the committee this bill includes provisions as follows: The President shall make an annual report to the Congress containing a comparison of Federal and private enterprise salary rates and such recommendations for revision of statutory salary schedules, salary structure, and compensation policy as he deems advisable. Whenever the President finds that salary rates in private enterprise for an occupation in one or more areas are so substantially above Federal salary rates as to handicap the Government in recruiting and retaining personnel, the President may establish higher minimum rates of pay for the occupation concerned. Contains the revised compensation schedules for the general schedule of the Classification Act and the conversion rules for the two phases of the salary adjustment plan which would become effective on enactment and on January 1, 1964. Provides for periodic within grade increases at all grades for those who have not reached the top step in the grade following the completion of (1) 52 calendar weeks of service in salary rates 1,2, and 3, (2) 104 calendar weeks of service in salary rates 4,5, and 6, and (3) each 156 calendar weeks of service in salary rates 7,8, and 9. Authorizes additional step increases in recognition of high quality performance above that ordinarily found in the type of position concerned. When an employee is promoted to a position in a higher grade he

shall receive basic compensation at the lowest rate of the higher grade which exceeds his existing rate by not less than two step increases of the grade from which promoted. Authorizes the Civil Service Commission to issue regulations to permit the retention of salary of an employee who, together with his position, is brought under the Classification Act from some other Federal pay system, if his salary rate is in excess of the maximum rate of the classification grade in which his position is placed. Extends the provision for retention of salary when an employee is demoted to a lower grade to all grades of the Classification Act and permits salary retention in some cases not now permitted. Increases from 1,989 to 2,400 the limitation on the number of positions which may be placed in grades 16,17 and 18 of the general schedule, and excludes from this limitation engineering research and development positions and positions in the physical sciences, natural sciences, and medicine. Increases the salary limitations for certain scientific, professional, and other positions to accord with the salary ranges of the general schedule of the Classification Act. Establishes a maximum rate, equivalent to the pay of grade GS-18 for five positions of technical experts in the Department of Agriculture engaged in research in foot-and-mouth and other animal diseases. Extends to Agricultural Stabilization and Conservation County Committee employees the salary increases provided by the bill for corresponding Classification Act salary levels. Directs the departments and agencies to provide for absorption of the costs of salary increases from available funds of the departments, but does not require any employee to be separated from the service or placed in a leave-without-pay status because of this absorption. Provides a 5-percent increase, effective January 1, 1963, in all annuities then payable from the civil service retirement fund which commenced on or before that date, and provides for future adjustments in the event the calendar year average of the monthly Consumer Price Index of the Bureau of Labor Statistics increases not less than 3 percent.

12. PUBLIC WORKS APPROPRIATION BILL, 1963. A subcommittee of the Appropriations Committee approved for full committee consideration with amendments this bill, H. R. 12900. p. D894

13. TOBACCO. Sen. Holland commended the cigar industry of Tampa, Fla., for its adjustment after the embargo was placed on the Cuban tobacco used by the manufacturers. p. 19627

14. FOREIGN TRADE. Sen. Humphrey expressed strong approval of the proposed Trade Expansion Act of 1962 and said, "I predict that the 87th Congress will be primarily identified by future historians as the Congress which enacted the Trade Expansion Act. It was a great victory." pp. 19631-7

15. RAIL STRIKE. Sen. Hruska criticized the Administration's actions regarding the Chicago & North Western Railway strike and said, "much more action should be forthcoming from the Chief Executive. Our farmers are entitled to it." pp. 19697-9

16. MINERALS. The Interior and Insular Affairs Committee reported with amendment H. R. 11049, to provide for the relief of certain oil and gas lessees under the Mineral Leasing Act (S. Rept. 2165). p. 19699

17. FOREIGN AFFAIRS. Sen. Prouty criticized U. S. foreign policy saying it "is the product of fear and gulls." pp. 19674-6

18. FOREIGN AID. Sen. Moss inserted an editorial criticizing the House cuts in the foreign aid appropriation bill. p. 19623

19. AIR POLLUTION. Concurred in the House amendments to S. 455, to amend the act of July 14, 1955, relating to air pollution control, to authorize appropriations for an additional 2-year period. This bill will now be sent to the President. pp. 19645-6

ITEMS IN APPENDIX

20. ASC FARMER COMMITTEES. Extension of remarks of Rep. Gathings and Rep. Abbitt defending the record of the ASC farmer committees. pp. A7108, A7139

21. PUBLIC WORKS. Extension of remarks of Rep. Curtis inserting a New York Times editorial criticizing Congressional action on the Public Works Acceleration Act. p. A7111

22. CIVIL SERVICE. Extension of remarks of Rep. St. George inserting articles supporting reforms to equalize the pay scales of government and private industry. pp. A7111-12

23. FOREIGN AID. Speech of Rep. Alger in the House opposing the foreign aid appropriation bill as "self-defeating and suicidal." p. A7112
Extension of remarks of Rep. Derwinski inserting an article stating that "the fundamental cause of our balance of payments deficit is the payment of billions in foreign aid." p. A7123

24. EXTENSION WORK. Extension of remarks of Rep. Smith inserting a speech by Rep. Fountain before the National Association of State Departments of Agriculture calling for closer Federal-State cooperation. pp. A7128-9

BILLS INTRODUCED

25. FISCAL REQUIREMENTS. H. R. 13232, by Rep. Dooley, to amend the Legislative Reorganization Act of 1946 to provide for more effective evaluation of the fiscal requirements of the executive agencies of the Government of the United States; to Rules Committee.

26. TRADEMARKS. H. R. 13234, by Rep. Mahon, to amend subsection (e) of section 44 of the Trademark Act; to Judiciary Committee.

27. FORESTRY. H. R. 13237, by Rep. Teague of Texas, for the relief of certain persons having summer homes in the Rio Grande Canyon summer home group, in the Rio Grande National Forest; to Agriculture Committee.

28. PRICE SUPPORTS. H. R. 13240, by Rep. Udall, to terminate price supports and acreage and marketing restrictions on basic agricultural commodities and feed grains, and to provide for acreage payments during a transitional period; to Agriculture Committee.

29. WHEAT ACREAGE. H. R. 13241, by Rep. Cooley, to amend section 309 of the Food and Agriculture Act of 1962; to Agriculture Committee.

30. CONTRACTS. H. R. 13242, by Rep. O'Hara, Mich., to provide wage standards for persons engaged by Federal contractors or subcontractors to furnish services or maintenance work to Federal agencies; to Education and Labor Committee.

because the Secretary of the Treasury is more expert or simply because he has less political pull? Why not pass the buck to the Director of the Fish and Wildlife Service?

The justification for the Senate committee proposal is, of course, that some compromise with the House regarding the Communist propaganda nonsense is necessary to get the postal rate bill enacted. But this compromise however innocuous, remains insulting to the American people and degrading to the image of America as a free society. We think the Senate would do well to reject it and stand firmly on the bedrock of democratic principle. Americans do not need the spurious protection of censorship. They have the best protection against bad ideas ever devised: education, love of country, and the free expression of sound and sensible ideas.

ORDER OF BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

Mr. HUMPHREY. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business has not yet been laid before the Senate. It is in order to ask that it be laid before the Senate.

Mr. HUMPHREY. Mr. President, I ask that the Chair lay before the Senate the pending business.

POSTAL SERVICE AND FEDERAL EMPLOYEES SALARY ACT OF 1962

The PRESIDING OFFICER. The Chair lays before the Senate the pending business, which will be stated by title.

The CHIEF CLERK. A bill (H.R. 7927) to adjust postal rates, and for other purposes.

EXPORT CREDIT AND FOREIGN TRADE

Mr. HUMPHREY. Mr. President, I have spoken with the chairman of the Committee on Post Office and Civil Service and have said that I desire to make a statement on a subject which is not related to the postal bill. He has agreed that I may do so, and I appreciate his courtesy.

Mr. President, last week this body took the historic step of approving the Trade Expansion Act by the overwhelming vote of 78–8. If one considers the record of the Senate in relation to the tariff question for the past century, the decisiveness of this action truly assumes historic dimensions. I predict that the 87th Congress will be primarily identified by future historians as the Congress which enacted the Trade Expansion Act. It was a great victory.

How can we explain this enthusiastic support for what has traditionally been a most decisive and hotly contested issue? The answer, I believe, is a simple one; namely, an unmistakable national response to the economic challenge represented by the nations of Western Europe and Japan. In typical American fashion, the Nation has responded to this challenge and this great opportunity with courage and decisiveness.

But is this the end of it? Does the passage of a trade bill answer this challenge? The answer is clearly "No; much more remains to be accomplished." We can be justly satisfied with the country's answer to the challenge of mutually lower tariff barriers, but this represents just one aspect of the highly complicated and interrelated matter of international economics.

The debate on the Trade Expansion Act was not the time to raise some of these related questions. But now that the debate has been concluded, I wish to take several minutes to consider a matter closely related to trade expansion: the question of export credit and export credit insurance.

The importance of this subject is self-evident. Its relation to our action in passing the Trade Expansion Act is obvious. Export credit and insurance comprise one of the major devices by which this Nation can take full advantage of the export opportunities that will arise out of lower tariff barriers. In short, these are vital components in a vigorous and productive export policy.

For several years, I have interested myself in the subject of increasing our exports. On whatever trips it has been my privilege to make to other countries as a Member of the Senate, I have examined into our international export business to see just how the United States has fared as a competitor, particularly with some of our Western European allies. I am also deeply concerned about American international trade policy as it relates to effective and successful competition with Soviet-bloc nations.

Specifically, today I wish to review our problems—indeed, some of our failures and accomplishments—in the field of export trade, export credit, and insurance. I have some ideas as to how we can improve our position.

U.S. FINANCING AIDS EXPORTS

First, let me outline the various U.S. export financing programs.

Historically, our efforts in providing export financing assistance have centered in the Export-Import Bank. Created in 1934 to aid in the financing and facilitating of U.S. exports and imports, the Bank has assisted exports throughout its history by providing various types of loans, credits, and, more recently, credit insurance.

Other U.S. programs, designed to meet other needs, help our exports in ways incidental to their main purposes. The various foreign aid programs have been important in helping our exports since World War II.

I digress for a moment to point out that the foreign-aid program is possibly the greatest single aid to our international trade program of any policy of this Government. The foreign-aid program is not merely aid to the nations which receive the assistance; it is also effective economic assistance for American industry and for the American economy in terms of exporting our goods.

I point out also that once our capital goods have been exported under the foreign-aid program, we have then a market for technicians, for spare parts, and for the host of services which follow upon the shipment of machinery and equipment which has been exported to the recipient countries. In other words, foreign aid is good, solid, domestic American policy. That ought not to be forgotten as we move toward the consideration of the foreign-aid appropriation bill, which will come before the Senate shortly.

I believe that a sharp reduction in the foreign-aid program is not only dangerous in terms of our international security, but also weakens our efforts to combat Communist subversion and Communist economic penetration. Such a reduction would also weaken the American economic programs at home and abroad.

Starting with the Marshall plan, when U.S. goods contributed mightily to the rehabilitation of Europe, exports have played a vital role in our economic-aid programs. Under the programs now administered by the Agency for International Development—AID—one measure designed to overcome our balance-of-payments deficit is our goal of achieving at least 80-percent U.S. procurement—a higher level than in recent years. Military aid to our allies has also added to our export trade; indeed, the materials supplied under these programs are almost totally procured in the United States.

It might be a good question for chambers of commerce in the respective communities and States of this Republic to ask Members of Congress how much of the foreign-aid money is spent back in those American communities. Then possibly there will be a little different attitude toward foreign aid and foreign trade, because some of the programs which have been legislated by Congress, programs running into millions of dollars, have had very little effect upon our economy; but the programs which run into billions of dollars, such as the military assistance program, the economic assistance program, and the defense program, have a tremendous impact upon the American economy, upon jobs, and upon production.

Surplus agricultural commodities have made a sizable contribution to our export trade since 1954 and will continue to do so. Shipments under the various titles of Public Law 480 and the CCC credit sales program have both contributed to the export trade.

Actually, American agricultural commodities are being exported at a rate of $5,100 million a year. I predict that the greatest single increase in export trade, percentagewise, will be in agricultural products. We can produce agricultural products much more cheaply and of a higher quality than can any other country on the face of the earth. We have a huge market for those products, particularly under the new Foreign Trade Act, which permits the President to negotiate across the board with country after country on a host of commodities. With Japan alone, our export trade in agricultural commodities amounts to approximately $1 billion a year. Every farmer in America has a stake in the Japanese trade.

With the Western European community, we have an export trade in farm commodities amounting to more than $2 billion a year. So it appears that we have an opportunity which we are just now beginning to realize and appreciate.

Under the new food for peace program, designed to assist the economic development of the less developed countries, food shipments will be increased, thus supplementing our normal commercial agricultural exports. In fact, they have been increased. There has been an increase of more than 300 percent in our food shipments in the past 2 years, all of which supplements our normal commercial agricultural exports.

The Public Law 480 program is not in any way diminished; our dollar sales in no way diminish our normal commercial exports. To the contrary, they have stimulated our exports and have developed entirely new markets for American products.

For example, the production of soybeans and of all the products made from them has created a very large new market for American agriculture. The same is true of many poultry products and fruits and vegetables. The U.S. economy has been aided very greatly by foreign trade. I believe foreign trade will be the ultimate answer to our problem of excess production of agricultural commodities, because throughout the world there is a very great need for additional supplies of food, particularly as the per capita income of various countries increases. These food supplies can be sold on a short-term credit basis and on similar bases, and that will enable the American farmer to find his way out of the dilemma of an overabundance of agricultural commodities, on the one hand, and the need for prosperity, on the other. This abundance of agricultural commodities can be converted into supplies of food to be sent to the peoples of the world who need them.

EXPORT-IMPORT BANK PROGRAMS VARIED

Since the Export-Import Bank is the one U.S. Government agency established for the purpose of aiding exporters through financing, I want to discuss in some detail its several programs. These include—

First. Credit insurance through an association of private insurance companies. This is largely a new program which I shall discuss at greater length in the course of my remarks.

Second. Medium-term financing and guarantees, that is, the "exporter credit" program and a new system of direct Eximbank guaranties announced only last October. Under its "export credits and guarantees" the Eximbank provides financing and guarantees for medium-term export transactions, which in calendar year 1961 amounted to $196 million.

Third. Long-term loans for sales abroad. For many years the Eximbank has made what are generally called project loans, that is, loans to foreign governments and private enterprises—both American and foreign—for purchase of U.S. goods and services for development projects abroad. At one time these loans constituted almost all of the Bank's financing. Today they have been supplemented by new programs; but they are still an important part of the Bank's operation, helping to finance U.S. exports for development projects throughout the world. These loans have helped us to export equipment for the electric power development in Brazil, the railroads and ports in Burma, telecommunications in Ethiopia, port improvements in India, and irrigation facilities in Thailand—to mention but a few examples of projects wholly or partially financed by the Eximbank.

Mr. President, that Bank has a remarkable rate of repayment. It is not a losing proposition. It is in the fullest sense of the word a bank which yields dividends, and its loans produce interest. The loans are repayable in convertible or hard currencies; and the Bank's record is outstanding.

NEW NEEDS ARE MET

The Eximbank has served the export community well. But conditions change and new needs arise. Such was clearly the situation by 1960 when concern over the U.S. trading position greatly increased. There should have been greater concern years before. In the fall of 1960, gold was flowing out of this country at the rate of $5 billion a year. In 1959, 1959, and 1960 the average gold outflow from the gold reserves of our country was approximately $4 billion a year. The only answer to that was more trade and more exports. It was not until 1960 that our Government woke up to the fact that it was being outmaneuvered and outsold all over the world.

On several occasions I reported to the State Department, the Commerce Department, and the Export-Import Bank my observations in regard to what was happening. So when I hear of all the deep concern over the outflow of gold and the concern that our gold reserves may be weakened because of the outflow of gold, I must say that the answer is not only a prudent and a frugal monetary and fiscal policy, but also, and more important, to get to work and sell, and to have the Government of the United States stand alongside its industrialists, agricultural producers, and processors and aid them in a massive selling program that will product the necessary favorable balance of trade that will give us a surplus of gold, rather than a deficit because of the outflow of gold.

The United States was running a large balance-of-payments deficit. The deficit itself was not new. We have had balance-of-payments deficits every year except one since 1950. But, as I have explained, the deficits in 1958 through 1960 became alarmingly large, and at the same time the United States was noticably losing ground in world trade competition.

There was no single cause of this situation, just as there is no single cure; thus we are tackling the balance-of-payments problem and our competitive situation in foreign trade on many fronts. But our relatively primitive credit facilities were clearly one crucial factor in meeting competition abroad; we had slipped behind the accomplishments and flexibility of our European competitors in this field.

Our country prides itself upon its commercial credit programs, its consumer credit programs, its installment buying programs, and its installment credit programs. We do all of this domestically, and we do a remarkably fine job. In fact, because of these domestic credit programs we have vast production, very great consumption, and a degree of prosperity that no other people in the history of the world has ever achieved. But when it comes to international trade, we act as if we were still in the 19th century, rather than the 20th century. We have had an export program which was geared to the American economy of 50 years ago, and to a world trade pattern which no longer exists. Is it any wonder that we lost markets and suffered a loss of our gold reserves, to the extent of more than $4 billion a year and for 3 years in a row? The answer to this situation is not to be found in making changes in our foreign aid or our troops overseas. The reason for the loss of gold was that we were not competing in the international market for the available business; we were permitting country after country to outsell us and outfinance us, when it came to doing business. The purpose of my remarks at this time is to point out that many of the reforms thus far have been too little and too late, but that there can be a remedy.

In particular, the other countries were forging ahead in the export credit insurance field. The British had developed a system of guarantees operated by its Exports Credits Guarantees Department—ECGD—of the Board of Trade, an all-important agency of the British Government. The Germans had devised a different system, strongly backed by well-equipped private insurance interests. This system, unlike the British, kept the guarantees in the hands of private enterprise, but the German Government assumed reinsurance of the political risks involved. These two systems, with variations, were developed in a number of other European countries. Sweden, Norway, Denmark, the Netherlands, Belgium, and France had developed various forms of export credit guarantees in which the government either operated autonomously or participated. In all, at least 18 foreign countries, all of them competing with us in the export market, provided generous programs of export credit guarantees or insurance.

It became clear that, whereas the United States still had the edge on our competitors in long-term development financing, many of our European competitors had the edge in export credit insurance and short-term financing, which made it possible to move commodities from factories and fields into the export markets.

Our exporters, meeting stiffened competition in 1959 and 1960, increasingly urged that the United States, in addition to the financing then offered, also provide a comprehensive system for insuring the short- and medium-term credit of foreign buyers and for guaranteeing against losses abroad due to political developments out of their control—including circumstances such as expropriation, civil

unrest, war, import and export restrictions, and, perhaps most important, inconvertibility of foreign currencies to dollars.

The U.S. Government has, of course, scrupulously observed the original mandate of Congress not to compete with commercial banks. Thus, although the Eximbank provided good export financing facilities on a selective basis in the long- and medium-term field, it was cautious about entering new fields, in particular the short-term field. As the realization dawned on us that available facilities, both governmental and private, were not good enough, as other governments moved aggressively forward and changing world conditions intensified trade competition, we began to work out new ways and means of making ourselves competitive.

Our start was slow and our beginnings too cautious for the rapid pace of the 1960's. The Eximbank added short-term political risk insurance in the spring of 1960, and exporter credits were liberalized. These steps helped, but they were not enough.

Soon after taking office, the Kennedy administration called for a vigorous new approach to the entire problem of expanding our export trade. In the course of his balance-of-payments message to the Congress on February 6, 1961, the President directed the Export-Import Bank to increase its assistance to the export community, and to devise a program that would make U.S. exporters fully equal with their foreign competitors who were receiving assistance from their respective governments. The President also asked consideration of ways through which private financial institutions could participate more broadly in providing export credit facilities.

In March, a working group drawn from the Eximbank, the Department of Commerce, and the Treasury Department, plus consultants from U.S. insurance and banking firms, began to devise ways and means to carry out the President's directive. Foreign insurance plans and alternative suggestions for a U.S. program were studied.

During the spring and summer of 1961 the Eximbank held a series of negotiations and meetings with leading U.S. casualty and marine insurance companies in an effort to decide how a private association of companies might issue export credit insurance in conjunction with Eximbank. Many legal, administrative, and financial problems had to be ironed out before the programs could begin to take shape.

In September, Congress passed the Spence-Robertson bill amending the Export-Import Bank Act of 1945. It delineated and clarified the authority of the Bank to underwrite export credit insurance in partnership with private insurance companies. Under it, the Bank is permitted to insure or underwrite export transactions up to the amount of $1 billion oustanding. President Kennedy signed the bill on September 26 and on October 27 announced the formation of the Foreign Credit Insurance Association—FCIA. On February 5, 1962, FCIA, which offers private export insurance facilities in partnership with the Eximbank, got underway.

THE YEAR 1961 BROUGHT ADVANCES

What are the results of our new efforts in the field of export credit and credit insurance?

Our accomplishments last year were impressive. In 1961 the Export-Import Bank approved 907 loans and guaranty transactions to assist U.S. exports, committing a total of $1.1 billion. This included $416 million for project loans enabling buyers overseas to obtain American machinery and materials and services to help in their economic and industrial development. In addition, loans of $69.7 million were made to assist the export sale of U.S.-built commercial jet aircraft; this assistance was a substantial percentage of total U.S. jet aircraft export transactions for the year. Approvals of exporter credits and the limited guaranties available in 1961 amounted to $326 million, and emergency foreign trade loans totaled $353 million.

More liberal policies and more liberal administration of the policies which were adopted during 1961 were important factors in this large volume of business. Eximbank policy changes last year mean that loans and credits can now be obtained for some types of export business for which financing was not available in past years. For example, the Bank will now consider financing the exports of petroleum equipment, regardless of whether the importer is a private company or a Government-owned or controlled enterprise. This policy change was announced last March after thorough exploration of many aspects of the problem within the administration.

Important as these policy changes in the handling of credits may be, I consider the new guarantee and insurance programs of the Eximbank the major achievements of 1961 in the export financing field.

NEW GUARANTEES AND INSURANCE AVAILABLE

The first of these new programs, announced last October, embodies a new guarantee system for medium-term export transactions. These guarantees are issued by Eximbank directly to the commercial banks and those financial institutions undertaking nonrecourse financing of exports. The program is designed to encourage such banks to provide nonrecourse financing of medium-term credits and to speed up transactions by permitting the exporter to deal only with his bank rather than with Eximbank in Washington. It is also designed to create an incentive for banks and other financial institutions to retain in the private sector the paper arising from export transactions. Principal features of the new guarantees include the provision of a full political risk guaranty. These guarantees are offered only if the financial institution does not request Eximbank to purchase a participation in the transaction. The guarantees apply to export sales where the foreign buyer pays in cash not less than 10 percent of the invoice value by the time of delivery of the goods and the exporter retains 15 percent of the balance.

The second new program provides insurance for short-term transactions—the program placed in operation on February 5 when the Foreign Credit Insurance Association—FCIA—opened its doors for business.

Initially, FCIA provided insurance for credit transactions up to 180 days, or in special circumstances up to 1 year. Insurance for credit terms exceeding these limits has just been developed and was announced July 16.

The insurance is being offered through member companies of FCIA and their agents and brokers across the country. Since more than 57 insurance companies are already participating in the program and membership is open to all responsible and qualified companies, exporters will be able to obtain their policies locally.

In many particulars, this new U.S. program offers short-term export credit insurance matching or exceeding the coverage offered by any other major trading country. For example, in the FCIA short-term policy, expropriation of or intervention in the business of the buyer or his guarantor is treated as a political risk only if it results in a default, and offers coverage of 85 percent or less. Similarly the coverage on war, civil war, revolution, and the like is broader than that of foreign insurers. Further, the credit risk coverage in the FCIA policy is as extensive as, and in some cases more extensive than, that of any other major insurer.

For example, FCIA covers protracted default by a private buyer, but some other insurers do not. On the other hand, FCIA, like most of the foreign credit insurers, does not cover unwillingness of a buyer to accept the goods, although at least one other insurer does provide limited coverage for this risk in some circumstances.

The FCIA short-term policy covers 85 percent of loss for credit reasons and, as I mentioned, 95 percent for political reasons. No foreign credit insurance plan normally covers higher percentages and, with one exception, other credit insurers cover lower percentages.

Proof of loss under a credit risk covered by FCIA is similar to that required by other insurers. For political risks, however, the proof of loss required by FCIA is less onerous than is the proof demanded by many other countries.

Payment of claims arising from insolvency of the buyer is equally prompt under the FCIA plan and the foreign plan; if the claim arrives from protracted default, FCIA is as prompt as any other insurers and more prompt than most; if the claim stems from political causes, FCIA is more prompt than any other insurer.

What about rates? It is difficult or impossible to make a direct comparison of rates charged by the FCIA and various foreign insurers because differing bases are used. In general, however, FCIA rates for short-term cover fall between those charged by the United Kingdom and those charged by West Germany.

The new FCIA insurance, in addition to covering loss risks, will benefit American exporters in two other important ways. Exporters will be more disposed to extend credit to customers abroad. They will also be able to attract more financing from commercial banks than would be possible if the accounts were not insured.

The new insurance program, together with changes in the old ones, now places our exporters in a more favorable position. The FCIA will, of course, face problems in getting operations into full swing. And, in my opinion, some improvements and adjustments in the insurance program are still needed. For example, some difficulties are anticipated in administering the program resulting from the legislative requirements with respect to tax haven corporations; personally, I hope this can be corrected.

ISSUES FOR THE FUTURE

The present package of U.S. programs on financing and credit insurance for our exports is in many ways the envy of our competitors abroad. This feeling is not entirely new; for years foreign competitors have been envious of our development loans and exporter credits. But now European traders are convinced that they must improve their export credit and insurance programs. We can expect a new surge of trade competition from Europe and Japan—competition buttressed by governments which are anxious to increase their hard currency holdings and capture large chunks of an expanding world market. We cannot rest on our accomplishments.

But the issues in this field go much further than whether our programs are "as good as the other fellow's." The question is: Are our export financing programs adequate for maximum promotion of our national interest? I do not believe they are. Our national interest—indeed, that of the whole free world—requires that we increase our exports by a net value of $2 to $3 billion per year, in order to erase our foreign deficit. And we must do it by fostering greater competitiveness, not by taking refuge in controls or subsidies.

Mr. RANDOLPH. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. RANDOLPH. Did I understand the Senator from Minnesota to state that we should have no control over imports in our international trade?

Mr. HUMPHREY. No; I said I do not think we should place primary reliance on controls. I said we should foster greater credit, and not rely merely upon subsidies and controls. We obviously must have some subsidies, as, for example, with respect to our agricultural commodities, and some controls are essential. With respect to the import of oil, we have some controls, and there will be others.

My point is that we can get ourselves into a negative position when we utilize controls and subsidies as a means of thinking that we are protecting American interests, only to find that, while we have kept other products from coming into this country, in the meantime none of our own products have been going out. I seek to obtain a balance by, providing, on the one hand, legitimate control that is required for our national interest, but, on the other hand, facilitating the competitive structure of this country so that it can compete in any market in the world, on good credit terms, and in terms of delivery of products at a fair price. If we do that, I think we can answer some of our economic problems.

Mr. RANDOLPH. Mr. President, will the Senator yield further?

Mr. HUMPHREY. I yield.

Mr. RANDOLPH. This is a helpful clarification of a point that I desire to discuss. Today there are quotas on the importation of residual oil into the United States. I hope my colleague will in nowise indicate that what he said applies to necessary controls to curb the dumping of such waste material as residual oil on the full markets of this country at prices which do not permit equitable competition on the part of West Virginia bituminous coal and that of other states of the Appalachian region. I believe the type of unfair competition engendered by a waste product such as residual oil is not within the scope of the timely remarks of my capable colleague.

Mr. HUMPHREY. The Senator is correct in his analysis of my remarks. The Senator from Minnesota is a practical man—at least, I hope so. I try to be. I recognize that there are obvious and legitimate interests requiring the attention of the American government. Dumping programs, by ourselves or by anybody else, are injurious to markets and to normal commercial transactions. We have witnessed dumping programs. Sometimes we have been accused of doing so ourselves. That kind of policy is good for no one. This Senator does not condone it.

Mr. RANDOLPH. I appreciate the assurance.

Mr. HUMPHREY. I thank the Senator from West Virginia, who is always diligent in his concern for the legitimate protection of the economic interests not only of his State but also of this Nation. He is a stanch defender of our economy.

Mr. RANDOLPH. That course of action is pursued because the defense posture of the United States must necessarily be tied into this problem about which we are speaking.

Mr. HUMPHREY. The Senator is quite correct.

Mr. President, in today's international market, credit terms are more often than not a crucial part of competitiveness, especially credit for capital goods (which bulk large in our exports) and for sales to many destinations where demand is potentially large. If we are to increase our exports to the necessary extent, we must increase our percentage share of total world exports. The net export increase we need—$2 to $3 billion per year—is not very large when compared with total world exports of about $120 billion or with our gross national product of well over $550 billion. But it is difficult to achieve, and export credit measures have an essential role to play in solving our balance-of-payments problem.

So in judging our present programs, the real question is not how they compare with those of other countries, it is to what degree they satisfy the standards of our own national interest. Against this measure, our export financing programs are clearly not good enough.

The purpose of this speech today is not only to salute what has been done but also to help to achieve more.

Incidentally, what has been accomplished was accomplished after great injury had already taken place to our economy, after great concern had been expressed even as to the stability of the American dollar, which I think is a concern somewhat overworked, since the American dollar is the best currency throughout the world and since the United States still has the largest gold reserve of any nation or combination of nations on earth. Nevertheless, we did suffer severe losses of gold. We lost markets. We were not getting our fair share of the increase in world trade.

While I wish to compliment the administration for the measures which have been taken, and while I wish to compliment and to salute the Export-Import Bank, the Department of Commerce, the Department of State, and all other agencies involved for what they have done, I say also, "We came in late, and there is more work to be done."

I am not one who believes that we can rely on yesterday's accomplishments to meet tomorrow's needs. We must look to the future. I ask Senators to mark my words. The Common Market of Western Europe will give this country an economic race for its life in terms of competing in the world markets. The Common Market will seek to obtain broader markets. It will be legitimate competition.

All the Senator from Minnesota says is, "Gird yourselves for the battle. Prepare yourselves for the competition. Go into the competition with all the equipment necessary for fair and honorable competition among friends and neighbors, and be also prepared for the unfair competition which may very well come from what we call the bloc countries."

Mr. President, let us look at some recent statistics. As I said, the improvement has been commendable, but our export financing programs need improvement.

They should be bigger and better. If we can make them better, they will get bigger. How much bigger? What is a reasonable target?

Let us look at some recent statistics. In 1958, the total authorized financing of the Export-Import Bank was $964 million. In 1959, it dropped to $549 million. The totals for 1960 and 1961 climbed steeply to $784 million and $1,095 million respectively. The total authorized for 1962 through June was over $1.5 billion, or more than $3 billion on an annual rate, not including short-term comprehensive insurance aggregating $331 million since February under the new FCIA program.

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. HUMPHREY. I should like to complete my remarks, and then I will yield to the Senator.

Mr. President, I ask unanimous consent that the chart entitled "Financing Authorized by the Eximbank," be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Is there objection to the request by the Senator from Minnesota? The Chair hears none, and it is so ordered.

(See exhibit 1.)

Mr. HUMPHREY. Mr. President, this is a record of which we can be proud. It shows that our initiative has paid off. If the pace in the first half of this year is taken as an indicator for all of 1962, the Export-Import Bank has more than tripled its financing since 1958. However, a large component of the $1.5 billion for the first half of the year is a $400 million standby credit to Canada for use if needed, and it probably will not be needed. Moreover, is the current rate enough? Is it a solid, lasting increase? I am not convinced that it is enough to achieve the $2 to $3 billion annual export increase, which in turn is essential for making us solidly competitive in world trade.

We cannot be satisfied until we are reasonably sure that everything that can be done is being done to maximize our performance. And for this, there will have to be some changes in attitudes and policies.

Let me point out the principal considerations which lead me to believe that we have a long way to go.

During the past several years the Export-Import Bank has earned a substantial surplus. In 1961, the Bank paid $30 million to the U.S. Treasury as a "dividend." I am certainly not against these earnings, and I would clearly not urge that the Eximbank deliberately set out to lose money. But net earnings of this magnitude do suggest that the Bank is not taking enough risks, that it is putting its money into loans and guarantees that are so safe they do not provide enough overall incentive for our exports. There may be three aspects of this excessive caution. One may be that too high a proportion of Exibank money is going to low-risk countries; another may be that too high a proportion is going into low-risk transactions; a third may be that the terms set are too stiff. Clearly, the Bank needs to reassess its attitude toward risktaking. It is in business primarily to support U.S. exports, not to make money, nor should it be competing with normal commercial banks.

Mr. BUTLER. Mr. President, will the Senator yield for a moment? I should like to ask a question before I leave the Chamber.

Mr. HUMPHREY. I yield to the Senator from Maryland.

Mr. BUTLER. I am entertaining the mayor of Bremen, Germany, and some of his staff, and I must leave the Chamber.

I point out to the Senator that I have been listening attentively to his excellent statement. Nevertheless, without detracting in any way from anything the Senator has had to say about the present administration, I point out that during 1959 and 1960 the then President of the United States, Dwight D. Eisenhower, became very much interested in the subject about which the Senator is now speaking. Then President Eisenhower directed that there be a study of foreign trade. As a result, a bill was introduced in the Senate by the chairman of the Committee on Commerce, and extensive hearings were held on it, touching principally on the subject of the guarantee of loans for our exports and encouraging exports in every way.

I thought it would not detract from anything the Senator had to say to make that comment, but I wanted to have the record straight that during the Eisenhower administration this was something the President considered to be of great importance, and he took measures to cope with the problem.

Mr. HUMPHREY. I know the Senator has a very important luncheon to attend—and, by the way, I hope to be able to attend myself——

Mr. BUTLER. I hope so.

Mr. HUMPHREY. I mentioned earlier, before the Senator came into the Chamber, that the Government started action in 1958, when it saw the gold problem and saw that our world market problems were becoming ever more difficult. By 1959 and 1960 we had already started an Export-Import Bank program of credit insurance.

The Senator is quite correct concerning the action taken in the Congress, including the Robertson-Spence bill, passed by the Senate, and the work of the Committees on Interstate and Foreign Commerce. I think all of this prodded both administrations to speed up the job of improving our export position.

I commend the Senator and the Committee on Commerce, of which the Senator is so active a member, for their hearings. I happen to know that those hearings had a great effect upon the Export-Import Bank, the Department of Commerce, and the Department of State.

Mr. BUTLER. They were very good hearings.

Mr. HUMPHREY. Quite frankly, I, like the Senator from Maryland, have a partisan position as a member of a political party. When it comes to our country doing business in the international markets, I suggest that this is a place at which Republicans and Democrats can join together and encourage every possible program that we can design that is legitimate and honorable to help our business community get those markets and compete against the very heavy competition which we now have in Western Europe, in the Far East, and in the Soviet bloc. But we shall have tough competition in the years ahead.

What the Senator from Minnesota is trying to espouse today is a more active interest on the part of our Government and a more constructive program on the part of our Government to support this economy. We cannot bail our country out by subsidies or by controls alone. In part those are necessary. The only way that I know to help our balance-of-payments problem and to stop the outflow of gold is to improve our competitive position in world markets, obtain new markets, and get our businessmen and Government working side by side under legitimate, decent programs to improve the export environment.

Mr. BUTLER. I should like to add one word of caution. I agree with everything the Senator has said. I believe the Government is doing all it can to stimulate export trade. That course would be of great benefit to our balance of payments. But I hope the day will not come when we reduce our tariffs, then sell our merchandise on a guaranteed basis to people who cannot pay for it, and have the Government pick up the check. I am certain the Senator will see that that is not done. I shall not be here to assist in that endeavor.

Mr. HUMPHREY. The Senator and I have not always agreed on the subject of the tariff program. For many years I have actively supported what I believe to be a lower tariff schedule. There is an honest difference of opinion between reasonable men. I surely agree with the Senator that it would not be prudent in our international trade policy to have a program called credit insurance or export credits that for all practical purposes would have no relationship at all to the essential and economic facts of the day. In other words, if we are going to have a program to "give it away," let us call it that.

Mr. BUTLER. The Senator is correct.

Mr. HUMPHREY. But if we are going to have a program of insurance credit, let us make it an insurance credit program.

Mr. BUTLER. When the subject came before our committee and the problem of insurance arose, it was my idea that the program should be placed in the hands of private people as much as it could be to get away from that very situation. I thank the Senator for yielding.

Mr. HUMPHREY. I thank the Senator for his comments. In Western Germany that very thing was done and, as the Senator knows, it was a successful program.

Mr. BUTLER. Yes; it has been. Now I am going to join some of our friends from West Germany.

Mr. HUMPHREY. Mr. President, a related matter (2) is the very close review—often amounting to extensive second-guessing of foreign agencies of U.S. businesses, or both—in which Eximbank often engages. This is part of its inbuilt caution. It makes value judgments on whether given projects are good for foreign countries or foreign businesses; it frequently neglects to ask whether the financing requested will expand total U.S. exports. Of course, there are instances where it would be irresponsible to extend export credit, project financing or insurance coverage. The bank officials must exercise elementary caution and restraint. But all too frequently a refusal by Eximbank to extend credit facilities has the effect, not of deferring the transaction or stopping the project, but rather of deflecting the export business to foreign competitors. key to this problem is for Eximbank to recognize that its proper role and objec-

tive is not to protect the economic and financial interest of foreign borrowers—as it was forced to when it played a more influential role in international finance—but to support U.S. exports.

Several additional points could be made about the Bank's penchant for "second guessing" as to the merits of foreign transactions, which derives from the Eximbank's postwar history of concern for large project financing. Let me mention only two. Many countries which, even though not highly industrialized, are determined to manage their own financial and economic affairs, take none too kindly to suggestions that a given project should be dropped. Especially where U.S. aid is not a dominant factor in the country's economic picture, such countries are not willing to tailor their programs to the specifications of Eximbank. Rather, they will ask whether the Bank will provide financing for U.S. goods needed in their programs. If the answer is negative, these countries will most likely take their business elsewhere, to places where liberal financing is available with few questions asked.

Secondly, even where it is clear the financial management in a country is poor, and is likely to create serious problems, we should ask ourselves whether we would not feel compelled to provide this country with emergency bailout financing if and when the crisis comes. If the answer is "yes," we ought to compete actively, through means including export credit facilities, for a larger share in the country's imports. Sound management of a country's financial position is their responsibility, not ours; we cannot fend off crises by our restraint if other major exporters do not follow suit. I recognize that truly irresponsible financial management abroad should not be abetted by easy financing from our public sources—that is what I was talking about a moment ago with the Senator from Maryland [Mr. BUTLER]—but again I urge the Eximbank to keep its attention fixed on assisting U.S. exports.

In selling capital goods abroad, it is often essential to be able to provide a firm financing plan at the time bids or proposals are initially submitted to a foreign purchaser. Yet under applicable Eximbank procedures, this is frequently difficult or impossible to do. The answer will sometimes be that the foreign purchaser should apply to the Bank for a project loan covering the entire project. In other cases, exporters are told that any commitment as to financing must await a firm order and/or evaluation of the particular foreign buyer. This creates a chicken-and-egg situation for the American exporter. He cannot get the business because he cannot offer firm credit terms. He canont offer firm credit terms because he does not have the business.

A businessman would become stalled at dead center and would lose an order. I shall spare certain companies embarrassment here by saying that the Department of Commerce has a record of instance after instance and example after example of what I am talking about. On the one hand, an exporter could not get the business because he could not offer firm credit terms, and he could not offer firm credit terms because he did not have the business, all because of regulations. I have encountered numerous examples of this vicious circle in recent years.

Let me cite just two cases of lost export business resulting from failure to get advance commitments.

First. A consortium of U.S. companies bidding on a $16 million city water supply project in a key Latin American country was unable to obtain a firm commitment from the Export-Import Bank for the financing of the import portion, as well as a commitment from any U.S. or international financing agency to cover some of the local currency costs—conditions required in the bid specifications. This business went to a European firm.

It was a good order, repayable in hard currency. It went to a European firm. We lost it.

Second. A U.S. firm bidding on the contract for construction of a multimillion dollar oil refinery in a far eastern country turned to European financing when it was unable to obtain an advance commitment from the Export-Import Bank. Unfortunately, the firm was required—as part of the financing arrangements—to purchase much of the equipment in the European country.

Mr. President, there was a situation in which the United States could have sold American supplies had it been able to receive the kind of financing at the moment that it needed from the Bank. Instead of that, because of regulations, the company lost the business; that is, the American firms lost the business, even though the oil company itself was able to go forward with its contract, because European financing was available.

This situation is heavily discouraging to initiative on the part of U.S. producers or exporters of capital equipment, who have found it not worth their while to follow up on opportunities which are then eagerly seized by their foreign competition. Many who have heard of the difficulties of other firms in getting Export-Import Bank support, do not even bother to approach the Bank. This whole problem of prebid commitment needs intensive review to provide maximum support for U.S. producers who have the initiative to penetrate foreign markets.

U.S. engineering, construction, architectural, or other advisory services to foreign customers are not now eligible for Eximbank financing, except when they are directly related to sale of financed equipment, even though their services are rendered for large capital projects. These services should be eligible, both because the export of services is an important aspect of industrial growth and because such services are likely to pave the way for U.S. equipment sales.

In a number of cases, large foreign projects involving important supplies of equipment are put out on bids covering the entire project. Often such projects involve significant costs in local currencies, for which financing plans are also requested. The U.S. bidder on such projects faces a perplexing and frustrating task. He may be able to obtain an Eximbank commitment for the equipment financing, but he must go elsewhere for the local currency financing. All too often, there is no real place to turn for this, and the equipment sales are lost because of failure to secure an important part of the package. Again, U.S. private initiative in putting together a deal is frustrated, and our exports suffer accordingly. I recognize that dollar financing for local currency costs creates a thorny set of issues, and that it may temporarily increase our balance-of-payments deficit. But it is terribly important over both the short and long term to keep U.S. capital goods effectively in foreign markets and to meet the financing terms that this requires. I urge that the Eximbank loosen its attitude on local currence financing where this is a critical part of a package deal involving supply of U.S. goods.

I have discussed some of the key areas in which improvements are needed in our export financing as part of the program to maintain and strengthen the competitive position of our exports. We have made improvements. Because of them we should be glad. But there is urgent need for further action based upon a fundamental change of attitudes.

In conclusion, let me stress the need for action to support the initiative of prospective U.S. exporters. When U.S. firms expend energy and funds to put together deals in the hope or expectation of official U.S. financing, it is highly frustrating for them to encounter delays, difficulties, and negativism. If we as a nation are to expand our exports as we now must, the business community must work enthusiastically with us, in full confidence of Government support. This is the most important single thing for the Eximbank to keep in mind in its consideration of new credits and program. The vigor and initiative of our progressive businessmen must find its counterpart in a new climate, in a bracing atmosphere within the Export-Import Bank and, I might add, within the Department of State and within the Department of Commerce.

I compliment the Secretary of Commerce and the instrumentalities within his Department related to foreign trade. I believe the Secretary of Commerce is giving new impetus to our export program. He has done a remarkable job of translating American public policy to the business community and to the foreign countries, in terms of improving our export operations. The Department of Commerce has taken on new vitality, and I commend it and its leadership for what it has done.

I hope that the whole operation of our Government—the apparatus of every department, including the State Department and the Export-Import Bank, and the Department of Commerce—will work together as a team, particularly in our embassies.

I have visited our embassies, and I have noted all to often a traditional policy of aloofness between business and Government, and a remoteness; in other words, there has not always been the

kind of cooperation that there ought to be between Government and business in the field, in country after country.

Our commercial attachés in the embassies should be working with our business concerns in obtaining new markets. Every one of the facilities of this Government relating to foreign trade should be coordinated at the embassy level.

This means that our ambassadors, while they may be very well experienced in the field of normal diplomacy, must also have some sense of awareness about economic development and the improvement and expansion of our economy. I am not one of those who believe that diplomacy can consist merely of the niceties related to what we call the traditional diplomatic operations. An ambassador in charge of an embassy of the United States today must understand economic development. He must understand foreign trade. He must, in a sense, be a manager. He must in a sense be a director of a great multiple operation. We expect our ambassadors to be not merely striped pants diplomats—all that is required, of course; and I do not deprecate the necessity of an ambassador being a good diplomat in the formal sense of that term—but he must also be a go-getter; he must be a coordinator; he must be a worker with every one of the economic areas of our Government and of our Nation.

I ask unanimous consent that an article published in the Washington Post, of September 25, 1962, be printed in the RECORD at this point.

The article discusses the speech made by Robert V. Roosa, Treasury Under Secretary for Monetary Affairs, in which he warned, at Atlantic City, in addressing the convention of the American Bankers' Association, that restoration of world confidence in the U.S. dollar must not give rise to "vain hopes that mere monetary reform can substitute for basic measures" in wiping out the red ink on this country's international transactions.

Then Mr. Roosa went on to tell some simple truths. He said that this country must get to work to expand its trade and develop new markets. I congratulate him and the Treasury Department for this forthright expression.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MORE EXPORTS URGED FOR DOLLAR SAFETY

ATLANTIC CITY, N.J., September 25.—Robert V. Roosa, Treasury Under Secretary for Monetary Affairs, warned today that restoration of world confidence in the U.S. dollar must not give rise to "vain hopes that mere monetary reform can substitute for basic measures" in wiping out the red ink on this country's international transactions.

"To sink back into complacency would be to undermine all our very real achievements to date," Roosa told the annual convention of the American Bankers Association here.

Roosa, who at a meeting of international bankers last week was given much of the credit for ending the dollar crisis, said that progress in defending the dollar has been gratifying. But, he said, it does not mean that "any of us can slacken in any way the drive toward getting this country's international accounts into balance."

The Treasury official put in a strong plea for the administration's proposal to grant a 7-percent tax credit for business investment and for an overall reduction in the tax structure to enable this country to compete more effectively in world markets.

"We simply cannot afford to carry on indefinitely, in this competitive world, with a tax structure that dulls initiative and brings the economy at levels well below its full potential," he said.

Roosa said the real challenge to overcoming this Nation's balance-of-payments deficit is a further rise in business exports. He said it is realistic to aim for an export rise "not in hundreds of millions but in billions" within the next 2 years.

Roosa said that the recent cooperation of foreign central banks in shoring up the defenses of the dollar was done on the conviction that this country will not drag its feet in putting its own financial house in order.

EXHIBIT I.—*Financing authorized by Eximbank*

[In millions of dollars]

Category	1958	1959	1960	1961	[1] 1962
Project loans	609	347	511	416	555
Emergency foreign trade loans	258	163	130	353	[2] 500
Exporter credits and guarantees	24	3	99	132	[3] 459
Agricultural commodity loans	73	36	44	64	3
Subtotal	964	549	784	965	1,517
Short-term political risk guarantees	----	----	----	130	------
Comprehensive short-term insurance, FICA (since February)	----	----	----	------	331
Subtotal	----	----	----	130	331
Total	964	549	784	1,095	1,848

[1] 6 months.
[2] Includes standby stabilization credit to Canada of $400 million.
[3] Includes small percentage of short-term political risk guarantees authorized prior to beginning of FICA operations in February.

INDIANA DUNES

Mr. DOUGLAS. Mr. President, on Sunday, September 23, the Washington Post carried an editorial entitled "Shoreline Tragedy" in which it urged that the administration and Congress save the Indiana dunes and not allow a port, harbor, and steel mills to be built in the middle of these most beautiful and unique dunes. As Carl Sandburg has said:

> The dunes are to the Midwest what the Grand Canyon is to Arizona and Yosemite is to California. They constitute a signature of time and eternity: Once lost the loss would be irrevocable.

This morning's New York Times continues its public-spirited efforts in behalf of an adequate national park in the dunes with an excellent editorial statement of the need for the Army Engineers and the Budget Bureau to desist from efforts to destroy the dunes.

Mr. President, I ask unanimous consent that these superb editorials appear in the body of the RECORD at this point in my remarks.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Washington Post, Sept. 23, 1962]

SHORELINE TRAGEDY

Reportedly, Bureau of the Budget approval is imminent for the Burns Ditch Harbor on Lake Michigan. This is melancholy news, because it could spell the end of any hope for a national seashore area incorporating the matchless Indiana dunes. As Secretary of Interior Udall wrote to the Bureau, if the port is constructed, "the possibility of establishing a unit of the National Park System in this area of Lake Michigan will be foreclosed for all time."

The Indiana dunes are a natural treasure of a unique kind. They stretch for a few miles along the lake and contain, as in a living laboratory, the whole geological and biological history of the struggle between billowing dunes, forest and water. What makes the dunes especially precious is the location within easy access of the Chicago metropolitan area, thereby providing a recreational area for a densely populated region.

But an essential strip of the dunes belongs to the National and Bethlehem Steel companies. Plans are underway for intensive industrial development that would wipe out the dunes and spoil a small State park already located in the area. Legislative efforts to save the dunes have failed in good part because Indiana political leaders find it hard to resist the slogan "payrolls, not picnics." But the verdict in Indiana is far from unanimous. Representative RAY J. MADDEN of adjoining (and industrial) Lake County is for saving the dunes, as is the Steelworkers Union.

In his conservation message of February 28, President Kennedy called for the creation of a National Lakeshore Park in northern Indiana. Some 250,000 persons have petitioned to Congress to save the dunes. But thus far all this has been to no avail and the Federal Government seems about to spend $25.6 million to build a harbor in the middle of the dunes. The doubts remain. Is it really too late to consider alternate sites in Michigan City or Lake County? Is it impossible to build a ship canal that would place the harbor inland and spare the dunes?

Before the Bureau makes its final judgment, surely one final reappraisal is in order to determine whether Indiana could have its steel plants and still let the public have the dunes.

[From the New York Times, Sept. 26, 1962]

INDIANA DUNES CAN BE SAVED

Senator PAUL H. DOUGLAS and others working to save the Indiana dunes from industrial obliteration have pointed out that there are better ways and better places to provide a deepwater port for northern Indiana than by dredging out a site in the heart of the dunes. The U.S. Corp of Engineers has declined to study the alternatives and is now asking the Budget Bureau, an arm of the White House, to give its approval to this destructive project.

Last February, in his widely applauded conservation message to Congress, President Kennedy called for creation of an Indiana Dunes National Lakeshore. If the President meant what he said, he will direct the corps to ignore the pressures being exerted by some Indiana politicians and by the steel companies that own land in the dunes and to come up with a plan that will save this irreplaceable shoreline recreational area. It is still possible to save it if there is a desire to do so.

NATO AND THE SOVIET BUILDUP IN CUBA

Mr. HUMPHREY. Mr. President, a UPI dispatch by Stewart Hensley in this morning's press indicates that some of our allies still have to be shown that they cannot differentiate between a Communist threat on their borders and a Communist threat elsewhere in the world.

According to the reported views of Norwegian Foreign Minister Halvard

Lange, Cuba is essentially an "American problem." He concedes that it might eventually "develop into a problem for the free world," but until it does he sees no possibility of interfering with the long-range charters under which Norwegian vessels carry supplies between the Soviet bloc and Cuba.

Mr. President, Norway is one of the stanchest of our partners in the North Atlantic Treaty Organization. Norway entered this alliance because her experience with Nazi Germany taught her that dictators do not respect a unilateral declaration of neutrality. Her commitment to the Western Alliance has not sat well with some elements of her population, yet for years she has maintained the faith and has shouldered the common burden—often in the face of crude and violent threats and pressure from the Soviet Union. Moreover, shipping is the very lifestream of Norwegian economic health, and it will be particularly important if, for one reason or another, Norway should be excluded from the European Common Market. It is my hope and plea that the inner six—the EEC—shall include all of the outer seven—EFTA.

Having said this, Mr. President, I want to register my firm disagreement with the reasoning attributed to the Norwegian Foreign Minister, a man for whom I entertain the highest respect. Cuba, Mr. President, is already a problem for the whole free world. To the extent that our allies either directly or indirectly contribute to the longevity of the Castro regime, to the extent that they help the Soviets bolster the sagging Cuban economy and defenses, they are undermining the position of the United States and are contributing to the entrenchment of communism. This surely is not a matter of indifference to them. The Secretary of State unquestionably has plenty of arguments, backed by solid and sufficient evidence, for the NATO governments to bring pressure to bear so as to halt these injurious practices. The Secretary of State also has the full and explicit backing of Congress in his discussions with our allies.

I urge him to continue those discussions. I am confident that he will pursue this matter with the utmost energy and persistence. I am likewise confident that he will achieve mutually satisfactory results. This is little enough to ask of our friends in view of the worldwide commitments which we have undertaken in their behalf; it is little enough in view of our determination to solve the Cuban menace almost 100 percent through our own efforts. All that we require is recognition of the fact that Cuba is 90 miles from the NATO defense perimeter, not merely 90 miles from the continental United States.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an excellent editorial entitled "Challenge to the Free," published in the Washington Star of September 25, 1962; and an article entitled "Rusk Reported Unable to Get Norway to Halt Ships to Cuba," written by Stewart Hensley, and published in the Washington Post of September 26, 1962.

There being no objection, the editorial and article were ordered to be printed in the RECORD, as follows:

[From the Washington Evening Star, Sept. 25, 1962]

CHALLENGE TO THE FREE

Although he has met with little success so far, Secretary of State Rusk is continuing his efforts to persuade the free maritime countries—particularly our NATO allies—to cooperate with the United States in clamping down on strategic shipments to Communist Cuba.

To that end, during his current visit to New York for the 17th session of the United Nations General Assembly, Mr. Rusk will have a series of conversations with numerous Western foreign ministers. The first of these talks has been with Britain's Lord Home, and although the latter is said to have been less than positive in his response, the Secretary apparently feels that the gentle art of persuasion may yet pay off in the form of effective allied action against the Havana tyranny.

At any rate, as Mr. Rusk has made clear, what the United States seeks is a program under which the following would happen: (1) Countries like Canada, Britain, West Germany, and Greece would stop exporting to Cuba such things as machinery, chemicals, and industrial raw materials. And (2) the governments of the Atlantic community would dissuade their shipping interests from chartering vessels to carry Soviet cargoes and technicians to Havana. Essentially the same measures have been advocated by the American Merchant Marine Institute, which represents management, and by our top maritime labor leaders, who have urged unionized seamen throughout the free world to refuse to sail any ships headed with strategic goods for the Kremlin's menacing new base in the Western Hemisphere.

However, although West Germany has indicated a favorable attitude, the general NATO reaction to Mr. Rusk's proposals has been largely negative up to now. Britain and a number of our other allies have suggested, for example, that the United States takes too grim a view of Cuba. Further, they have intimated that their domestic laws, and the fact that they maintain diplomatic relations with Fidel Castro's Kremlin-serving dictatorship, make it difficult for them to engage in an embargo on Cuban trade. So Mr. Rusk, wholly apart from his cheerless meetings with Soviet Foreign Minister Gromyko, has his work cut out for him in New York.

First of all, he must try to shatter the complacency of some of our allies by making clear that the threat in Cuba, in its potentials at least, is indeed most grave, not merely for us, but for the entire free world. And second, while putting emphasis on this reality, he must convince the British and others that unless they join us in cutting down on strategic shipments to Havana, they will be bolstering Castro's wobbly economy. As a result, in turn, they will be strengthening the Kremlin's grip on the island, paving the way for further Red subversion in Latin America, and thus striking another serious blow against the West's global position.

In these circumstances, it is hard to understand why our allies take what seems to be an altogether cavalier view. What is happening in Cuba is not, an inconsequential comic opera; on the contrary, it involves a supremely provocative display of naked Soviet power in one of the West's most sensitive areas. The challenge in that respect is not to Americans alone, but to freemen everywhere.

[From the Washington Post, Sept. 26, 1962]

RUSK REPORTED UNABLE TO GET NORWAY TO HALT SHIPS TO CUBA

(By Stewart Hensley)

NEW YORK, September 24.—Secretary of State Dean Rusk tried today to persuade NATO ally Norway to help the United States isolate Communist Cuba but apparently made no headway.

Norwegian Foreign Minister Halvard Lange told newsmen, after a 55-minute conference with Rusk on this and other matters, that his government viewed Cuba as essentially an "American problem." He acknowledged, however, that it might "develop into a problem for the free world."

Lange said that Norwegian ships engaged in the trade between the Soviet bloc and Cuba were on long-term charters to the Communists and his government had "no control" over them.

Lange and Rusk, according to U.S. officials, covered a wide variety of international matters, including Berlin and European security. They actually put in more time on Berlin than anything else, presumably in preparation for Rusk's critical Tuesday luncheon conference with Soviet Foreign Minister Andrei Gromyko on East-West differences.

Assistant Secretary of State for Public Affairs Robert Manning said the Rusk-Gromyko meeting would not be confined exclusively to Berlin or any other single issue. He disclosed, however, that Rusk has called his special assistant on Berlin, Martin Hillenbrand, here from Washington to sit in on the meeting at the Waldorf Towers.

Berlin was also on the agenda for discussion by Rusk and Belgian Foreign Minister Paul-Henri Spaak at a midafternoon conference. But the principal issue was the Congo, where both countries are supporting United Nations efforts to integrate breakaway Katanga Province into the central government headed by Cyrille Adoula. U.S. Ambassador to the United Nations Adlai Stevenson participated in the meeting with Spaak, as did Undersecretary of State for Political Affairs George C. McGhee.

Other highlights of Rusk's day included a luncheon conference as the guest of Japanese Foreign Minister Masayoshi Ohisha and a meeting with Luxembourg Foreign Minister Eugene Schaus.

Rusk and Ohisha discussed United States and Japanese relations with the European Common Market, Japan's efforts to restore normal relations with South Korea and Tokyo's continuing pressure for return of the American-held Ryukyu Islands.

Tonight Rusk gave a dinner in his hotel suite for about a dozen persons in honor of Afghanistan Foreign Minister Prince Mohamed Naim.

Rusk said he did not think he would comment at this time on Lange's assertion, similar to one made yesterday by British officials, that Cuba was primarily an American problem. He told newsmen, in response to questions, that he had nothing to say on this issue right now.

Lange said that Norwegian ships engaged in trade between Soviet bloc nations and Cuba were not carrying arms, ammunition or other highly strategic goods "so far as we know."

Although Rusk would not discuss the matter publicly, American officials privately made no secret of the fact that they disagree heartily with the British and Norwegian contention that Cuba is essentially a U.S. problem.

(The British doubt a U.S. premise that Castro's government can be made to collapse by economic strangulation, Lewis B. Fleming of the Los Angeles Times reported from the United Nations.

(The British believe that such a policy could not work short of acts of war like forcefully interfering with shipments to Cuba. And the British would oppose such action.

(American proposals for a cessation of trade with Cuba are regarded as useless by the British, who point out that Cuba's needs can easily be met by shipments from other nations even if all the NATO allies were to enter into an agreement.)

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE

(For information only; should not be quoted or cited)

Issued Oct. 3, 1962
For actions of Oct. 2, 1962
87th-2d, No. 179

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HIGHLIGHTS: House received conference report on agricultural appropriation bill. House received conference report on foreign trade bill. Both Houses agreed to conference report on tax bill. Confereees agreed to file report on pay bill. Senate passed bills to: Amend Food and Agriculture Act re 15-acre wheat exemption for 1963 crop; Increase limitation on FHA loans. Both Houses received and Senate agreed to conference report on school lunch fund apportionment bill. Senate passed foreign aid appropriation bill. Senate committee reported bill for holding World Food Congress.

HOUSE

1. AGRICULTURAL APPROPRIATION BILL, 1963. Received the further conference report on amendments in disagreement on this bill, H. R. 12648 (H. Rept. 2514). All amendments previously reported in disagreement were still reported in disagreement (pp. 20596, 20650). Attached to this Digest is a copy of the conference committee report.

2. APPROPRIATIONS. Conferees were appointed on H. R. 12900, the public works appropriation bill. Senate conferees have already been appointed. p. 20568

   The Appropriations Committee was granted permission to file conference reports at any time. p. 20568

3. PUBLIC WORKS. The Rules Committee reported a resolution for the consideration of H. R. 13273, the public works authorization bill. p. 20650

4. PERSONNEL. The "Daily Digest" states that "Conferees, in executive session, agreed to file a conference report on the differences between the Senate- and House-passed versions of H. R. 7927, providing for postal rate increases and increases in Federal employees' salaries." p. D929

The Post Office and Civil Service Committee reported with amendment H. R. 9531, to amend the law relating to pay for postal employees (H. Rept. 2509). p. 20650

Concurred in the Senate amendment to the House amendment to S. 2697, to amend title 38, U.S.C., to provide an extension of the period within which certain educational programs must be begun and completed in the case of persons called to active duty during the Berlin crisis. This bill will now be sent to the President. p. 20569

Received from Treasury a report of the operations by Federal departments and establishments in connection with the bonding of officers and employees. p. 20650.

5. WATERSHEDS. The Agriculture Committee approved the work plans for the following watersheds: Anasco River, P. R.,; Bayou Folse, La.; Bee Creek, Kan.; Big Indian Creek, Neb..; Big Muddy Creek, Ky.; Big Wyacondah, Iowa; Crooked Bayou, Ark.; Duncan Creek, S. C.; Hardin Creek, Tenn.; Kaercher Creek, Penn.; Lattas Creek, Ind.; Line Creek, Tenn.; Lower Forest River, N. Dak.; Middle Caney, Kan.; Neshobe River, Vt.; Saltlick Creek, W. Va.; Stucker Fork, Ind.; Upper Bogue Phalia, Miss.; Upper Quaboag River, Mass.; West Fork of Pine River, Ky.; and Silver Creek, Kan. p. 20571

6. TAXATION. Both Houses agreed to the conference report on H. R. 10650, the proposed Revenue Act of 1962. This bill bill now be sent to the President. See Digest No. 150 for items of interest. pp. 20547-65, 20580-92

7. FOREIGN TRADE. Received the conference report on H. R. 11970, the proposed Trade Expansion Act of 1962 (H. Rept. 2518). pp. 20597-601, ~~20650~~

The Ways and Means Committee reported with amendment H. R. 12109, to amend the Tariff Act of 1930 to permit certain natural grasses and other natural materials to be imported free of duty (H. Rept. 2516). p. 20650

8. DRUGS. The "Daily Digest" states that "Conferees, in executive session, agreed to file a conference report on the differences between the Senate- and House-passed versions of S. 1552, proposed Drug Industry Antitrust Act." p. D929

9. LEGISLATIVE PROGRAM. Rep. Albert announced that the following bills will be considered on Wed.: H. R. 13290, the supplmental appropriation bill; H. R. 13273, the public works authorization bill; S. 1123, to extend certain child labor provisions of the Fair Labor Standards Act to children employed in agriculture; and the conference report on H. R. 11665, the school lunch fund apportionment bill. He further announced that the conference report on the proposed Trade Expansion Act of 1962 will be considered on Thurs. p. 20616

SENATE

10. WHEAT. Passed without amendment H. R. 13241, to amend Sec. 309 of the Food and Agriculture Act of 1962 so as to provide that a farm marketing quota on the 1963 crop of wheat shall be applicable to any farm on which acreage of wheat planted exceeds the smaller of 15 acres or the highest number of acres planted to wheat on the farm in calendar years 1959, 1960, 1961, or 1963, (instead of 1959, 1960, or 1961). This bill will now be sent to the President. p. 20492

87TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
2d Session } { No. 2518

TRADE EXPANSION ACT OF 1962

OCTOBER 2, 1962.—Ordered to be printed

Mr. MILLS, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany H.R. 11970]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes, having met after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 2, 5, 6, 7, 8, 9, 12, 13, 14, 21, 22, 34, 35, 45, 46, 47, 48, 50, 83, 85, and 91.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 10, 11, 15, 16, 17, 18, 19, 20, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 36, 37, 39, 40, 41, 42, 43, 44, 52, 54, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 71, 72, 73, 75, 76, 77, 78, 79, 80, 81, 86, 87, 89, 90, 92, 93, and 94, and agree to the same.

Amendment numbered 3:

That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: *world; and*; and the Senate agree to the same.

Amendment numbered 4:

That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be stricken out by the Senate amendment insert the following:

(3) to prevent Communist economic penetration.

And the Senate agree to the same.

Amendment numbered 38:

That the House recede from its disagreement to the amendment of the Senate numbered 38, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

(3) notwithstanding any provision of any trade agreement under this Act and to the extent he deems necessary and appropriate, impose duties or other import restrictions on the products of any foreign country or instrumentality establishing or maintaining such foreign import restrictions against United States agricultural products, when he deems such duties and other import restrictions necessary and appropriate to prevent the establishment or obtain the removal of such foreign import restrictions and to provide access for United States agricultural products to the markets of such country or instrumentality on an equitable basis.

And the Senate agree to the same.

Amendment numbered 49:

That the House recede from its disagreement to the amendment of the Senate numbered 49, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: *into, and, when referring to a rate of duty, refers to the rate of duty (however established, and even though temporarily suspended by Act of Congress or otherwise) existing on such day.*; and the Senate agree to the same.

Amendment numbered 51:

That the House recede from its disagreement to the amendment of the Senate numbered 51, and agree to the same with amendments as follows:

Page 9, line 20, of the Senate engrossed amendments, strike out "section 350" and insert *sections 323 and 350*

Page 10, line 5, of the Senate engrossed amendments, after "United States" strike out the comma.

Page 10 of the Senate engrossed amendments, strike out lines 7 to 22, inclusive, and in lieu thereof insert the following:

"(2) The lowest preferential or nonpreferential rate of duty in rate column numbered 1 for each item in schedules 1 to 7, inclusive, of the Tariff Schedules of the United States on the effective date provided in section 501(a) of this Act shall be treated as the lowest preferential or nonpreferential rate of duty, respectively, existing on July 1, 1962; except that in the case of any such item included in a supplemental report made pursuant to section 101(c) of this Act to reflect a change proclaimed by the President after July 1, 1962 (other than a change to which the United States was committed on July 1, 1962), the rate treated as the lowest nonpreferential rate of duty existing on July 1, 1962, shall be the rate which the Commission specifically declares in such supplemental report to be the rate which, in its judgment, conforms to the fullest extent practicable to the rate regarded as existing on July 1, 1962, under section 256(4) of the Trade Expansion Act of 1962.

And the Senate agree to the same.

Amendment numbered 53:

That the House recede from its disagreement to the amendment of the Senate numbered 53, and agree to the same with an amendment as follows:

Page 12, lines 5 and 6, of the Senate engrossed amendments, strike out "on any fish in any form imported from such country into the United States,", and insert in lieu thereof the following: *on any fish (in any form) which is the product of such country,*; and the Senate agree to the same.

Amendment numbered 55:

That the House recede from its disagreement to the amendment of the Senate numbered 55, and agree to the same with an amendment as follows:

Page 12, line 23, of the Senate engrossed amendments, strike out "or for the negotiation of an agreement under section 352"; and the Senate agree to the same.

Amendment numbered 70:

That the House recede from its disagreement to the amendment of the Senate numbered 70, and agree to the same with an amendment as follows:

Page 15, line 5, of the Senate engrossed amendments, strike out "such", and insert in lieu thereof *interested*; and the Senate agree to the same.

Amendment numbered 74:

That the House recede from its disagreement to the amendment of the Senate numbered 74, and agree to the same with amendments as follows:

Page 42, of the House engrossed bill, strike out line 9 and all that follows through line 3 on page 43, and insert:

(b) Effective with respect to net operating losses for taxable years ending after December 31, 1955, subsection (b) of section 172 of the Internal Revenue Code of 1954 (relating to net operating loss carrybacks and carryovers) is amended to read as follows:

"*(b) Net Operating Loss Carrybacks and Carryovers.—*

"*(1) Years to which loss may be carried.—*

"*(A)(i) Except as provided in clause (ii), a net operating loss for any taxable year ending after December 31, 1957, shall be a net operating loss carryback to each of the 3 taxable years preceding the taxable year of such loss.*

"*(ii) In the case of a taxpayer with respect to a taxable year ending on or after December 31, 1962, for which a certification has been issued under section 317 of the Trade Expansion Act of 1962, a net operating loss for such taxable year shall be a net operating loss carryback to each of the 5 taxable years preceding the taxable year of such loss.*

"*(B) Except as provided in subparagraph (C), a net operating loss for any taxable year ending after December 31, 1955, shall be a net operating loss carryover to each of the 5 taxable years following the taxable year of such loss.*

"*(C) In the case of a taxpayer which is a regulated transportation corporation (as defined in subsection (j)(1)), a net operating loss for any taxable year ending after December*

31, 1955, shall (except as provided in subsection (j)) be a net operating loss carryover to each of the 7 taxable years following the taxable year of such loss.

Page 43, line 5, of the House engrossed bill, strike out "subsection (i)," and insert: *subsections (i) and (j),*

Page 44, line 2, of the House engrossed bill, strike out "(1)(B)" and insert: *(1)(A)(ii)*

Page 44, line 25, of the House engrossed bill, strike out "(1)(B)" and insert: *(1)(A)(ii)*

And the Senate agree to the same.

Amendment numbered 82:

That the House recede from its disagreement to the amendment of the Senate numbered 82, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: *or, if the article is dutiable but no rate existed on July 1, 1934, the rate existing at the time of the proclamation,* ; and the Senate agree to the same.

Amendment numbered 84:

That the House recede from its disagreement to the amendment of the Senate numbered 84, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: *4 years (or, in the case of any such increase or imposition proclaimed pursuant to such section 7, 5 years)*; and the Senate agree to the same.

Amendment numbered 88:

That the House recede from its disagreement to the amendment of the Senate numbered 88, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: *applicable*; and the Senate agree to the same.

W. D. MILLS,
CECIL R. KING,
HALE BOGGS,
EUGENE J. KEOGH,
NOAH MASON,
JOHN W. BYRNES,
HOWARD H. BAKER,
Managers on the Part of the House.

HARRY F. BYRD,
ROBT. S. KERR,
RUSSELL B. LONG,
GEORGE SMATHERS,
By H. F. B.
JOHN J. WILLIAMS,
FRANK CARLSON,
By J. M.
CARL T. CURTIS,
Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The following Senate amendments made technical, clerical, clarifying, or conforming changes: 2, 3, 10, 11, 19, 24, 26, 27, 30, 31, 32, 33, 36, 37, 40, 42, 43, 44, 46, 47, 48, 49, 50, 54, 56, 60, 68, 79, 80, 81, 82, 83, 86, 92, 93, and 94. With respect to these amendments (1) the House either recedes or recedes with amendments which are technical, clerical, clarifying, or conforming in nature, or (2) the Senate recedes in order to conform to other action agreed upon by the committee of conference.

Amendments Nos. 1 and 4: Section 102 of the bill as passed by the House provided that the purposes of the Trade Expansion Act of 1962 are, through trade agreements affording mutual benefits—

(1) to stimulate the economic growth of the United States and maintain and enlarge foreign markets for the products of U.S. agriculture, industry, mining, and commerce;

(2) to strengthen economic relations with foreign countries through the development of open and nondiscriminatory trading in the free world;

(3) to assist in the progress of countries in the earlier stages of economic development; and

(4) to prevent Communist economic penetration.

Senate amendment No. 1 inserts the word "trade" before "benefits" in the introductory clause, thus making the phrase read "affording mutual trade benefits". The House recedes. Senate amendment No. 4 struck out the purposes specified in (3) and (4) above. The House recedes with an amendment. Under the conference agreement, the purpose specified in (4) is restored to the bill.

Amendments Nos. 5, 6, 7, 8, 9, 12, 13, 14, and 45: Chapter 2 of title II of the bill as passed by the House contains special provisions concerning the European Economic Community under which the President is authorized to reduce by more than 50 percent (or to remove) duties on certain articles. Under the Senate amendments, the Free European Trading Community was substituted for the European Economic Community. Under Senate amendment No. 45, the term "Free European Trading Community" was defined (sec. 256 of the bill) to mean (A) the European Economic Community, and (B) any country, designated by the President, which is a member of the European Free Trade Association. The Senate recedes.

Amendments Nos. 15, 16, 17, and 18: Section 221 of the bill as passed by the House requires the Tariff Commission to advise the President with respect to each article listed by the President for possible tariff concession of its judgment as to the probable economic effect of modifications of duties or other import restrictions on industries producing like or directly competitive articles. Under Senate amendment No. 15, this advice is required so as to assist the President in making an informed judgment as to the impact that might be caused by such modifications on U.S. industry, agriculture, and labor.

Senate amendments Nos. 16 and 18 are technical amendments transferring the requirement for public hearings from the last sentence of subsection (b) of section 211 to a new subsection (d).

Senate amendment No. 17 adds a new subsection (c) to section 221 of the bill. The new subsection requires the Tariff Commission, in preparing its advice to the President, to the extent practicable to—

(1) investigate conditions, causes, and effects relating to competition between the foreign industries producing the articles in question and the domestic industries producing the like or directly competitive articles;

(2) analyze the production, trade, and consumption of each like or directly competitive article, taking into consideration employment, profit levels, and use of productive facilities with respect to the domestic industries concerned, and such other economic factors in such industries as it considers relevant, including prices, wages, sales, inventories, patterns of demand, capital investment, obsolescence of equipment, and diversification of production;

(3) describe the probable nature and extent of any significant change in employment, profit levels, use of productive facilities, and such other conditions as it deems relevant in the domestic industries concerned which it believes such modifications would cause; and

(4) make special studies (including studies of real wages paid in foreign supplying countries), whenever deemed to be warranted, of particular proposed modifications affecting U.S. industry, agriculture, and labor, utilizing to the fullest extent practicable the facilities of U.S. attachés abroad and other appropriate personnel of the United States.

The House recedes on Senate amendments Nos. 15, 16, 17, and 18.

Amendment No. 20: Section 225(b) of the bill as passed by the House required the President, during the 4-year period which begins on the date of the enactment of the bill, to reserve certain articles (with respect to which a majority of the Tariff Commission has, under prior law, found serious injury or threat thereof) from negotiation under the bill for the reduction of any duty or other import restriction or the elimination of any duty. Senate amendment No. 20 requires the reservation to be 5 years rather than 4 years. The House recedes.

Amendment No. 21: Section 231 of the bill as passed by the House directs the President to suspend, withdraw, or prevent the application of any trade agreement concessions to products of any country or area dominated or controlled by Communism. Senate amendment No. 21 struck out "any country or area dominated or controlled by Communism" and inserted "the Union of Soviet

Socialist Republics, Communist China, and any other country or area dominated or controlled by the foreign government or foreign organization controlling the world Communist movement". The Senate recedes.

Amendment No. 22: The bill as passed by the House provided that the Special Representative for Trade Negotiations shall be the chief representative of the United States for each negotiation held under the authority granted in title II of the bill. Senate amendment No. 22 provided that the Special Representative shall be the chief representative of the United States for each general multilateral negotiation under such authority. The Senate recedes. While it is not contemplated that the Special Representative for Trade Negotiations will be required personally to conduct relatively minor negotiations, he will be responsible for all negotiations conducted under title II of the bill. The Special Representative has authority to employ a staff to assist him in carrying out his various responsibilities under the bill. In addition, he may from time to time draw upon the personnel and resources of other agencies for his needs in this regard.

Amendments Nos. 23, 25, and 28: Under the bill as passed by the House, the chairman of the interagency organization provided for by section 242 of the bill was to be a Cabinet officer selected by the President, and the Special Representative for Trade Negotiations was to be an ex officio member of such organization. Under Senate amendments Nos. 23, 25, and 28 the Special Representative is to be chairman of the interagency organization. The House recedes.

Amendment No. 29: Under the bill as passed by the House, the interagency trade organization is required to meet periodically at such times as the President or the chairman directs. This amendment deletes the word "periodically". The House recedes.

Amendments Nos. 34 and 35: Section 252(a) of the bill as passed by the House directs the President to take certain action whenever unjustifiable foreign import restrictions impair the value of tariff commitments made to the United States, oppress the commerce of the United States, or prevent the expansion of trade on a mutually advantageous basis. Under Senate amendment No. 34 the word "unjustifiable", appearing before the phrase "foreign import restrictions", was stricken, and under Senate amendment No. 35 the word "unjustifiably" was inserted before the phrase "oppress the commerce of the United States". The Senate recedes on Senate amendments Nos. 34 and 35.

Amendment No. 38: Section 252(a) of the bill as passed by the House requires that, whenever unjustifiable foreign import restrictions impair the value of tariff commitments made to the United States, oppress the commerce of the United States, or prevent the expansion of trade on a mutually advantageous basis, the President shall take certain action to obtain the elimination or reduction of the restrictions. Senate amendment No. 38 required the President, acting under section 252(a), notwithstanding any provision of any trade agreement under the bill, to impose duties or other import restrictions on the products of any foreign country or instrumentality establishing or maintaining foreign import restrictions described in section 252(a) against U.S. agricultural products, to the extent he deems such duties and other import restrictions necessary to prevent the establishment or obtain the removal of such foreign import restrictions and to provide access for U.S. agricultural products to the markets of such

country or instrumentality on an equitable basis. The House recedes with an amendment. Under the conference agreement the President is to exercise the authority to impose duties and other import restrictions contained in Senate amendment No. 38, notwithstanding any provision of any trade agreement under the bill and to the extent he deems necessary and appropriate, when he deems such duties and other import restrictions necessary and appropriate to prevent the establishment or obtain the removal of the foreign import restrictions described in section 252(a) and to provide access for U.S. agricultural products to the markets of such country or instrumentality on an equitable basis.

Amendment No. 39: Section 252(b) of the bill as passed by the House directs the President, among other things, to deny trade agreement benefits to products of a country which maintains nontariff trade restrictions which substantially burden U.S. commerce in a manner inconsistent with provisions of trade agreements, and the section specifically includes within such nontariff trade restrictions "unlimited variable import fees". Senate amendment No. 39 includes within such nontariff trade restrictions variable import fees, whether unlimited or not. The House recedes.

Amendment No. 41: Under this amendment the President is given the authority to deny trade agreement benefits to products of any country or instrumentality maintaining unreasonable import restrictions which, directly or indirectly, substantially burden U.S. commerce. This authority may be exercised to the extent that the action is consistent with the purposes set forth in section 102 of the bill and with due regard to the international obligations of the United States. The House recedes.

Amendment No. 51: This is a technical amendment making certain changes in the Tariff Classification Act of 1962 required by the enactment of the Trade Expansion Act of 1962. The House recedes with technical and clarifying amendments.

Amendment No. 52: This amendment makes it clear that the provisions of the bill do not in any way affect section 22 of the Agricultural Adjustment Act, or any import restriction thereunder. The House recedes.

Amendment No. 53: This amendment adds a new section to the Tariff Act of 1930 relating to conservation of fishery resources. Under this section the President is directed, upon the convocation of a conference on the use or conservation of international fishery resources, to use all appropriate means to persuade other countries whose practices or policies affect such resources, to negotiate in good faith concerning such use or conservation. If any country, the conservation practices or policies of which affect the interests of the United States and of other countries agreeing to engage in such negotiations, fails or refuses to negotiate in good faith, the President may, with a view to inducing such country to negotiate in good faith, increase the rate of duty on imports into the United States of any fish in any form which is imported from such country to a rate not more than 50 percent above the rate existing on July 1, 1934. Any such increase may continue for such time as the President deems necessary. The House recedes with an amendment to relate any such increase in rates of duty to products of such country rather than to imports from such country.

Amendment No. 55: Section 301(a) of the bill as passed by the House provides for the filing of petitions for tariff adjustment under

section 351 and of petitions for determinations of eligibility to apply for adjustment assistance under title III. It also states who may file such petitions. This amendment sets forth the two types of petitions in separate paragraphs, and authorizes the filing of petitions for the negotiation of agreements under section 352 (added by Senate amendment No. 90). The House recedes with an amendment deleting the language in the Senate amendment relating to the filing of petitions for the negotiation of agreements under section 352.

Amendments Nos. 57, 62, and 65: Under section 301 of the bill as passed by the House, the Tariff Commission is required to make certain determinations of injury. Such determinations are to be made in the case of industries under section 301(b)(1), in the case of firms under section 301(c)(1), and in the case of groups of workers under section 301(c)(2). In each case, under the House bill, the Tariff Commission must determine "whether, as a result of concessions granted under trade agreements" an article is being imported into the United States in such increased quantities as to cause or threaten to cause the particular injury. Under Senate amendments Nos. 57, 62, and 65 the Tariff Commission must determine "whether, as a result *in major part* of concessions granted under trade agreements" an article is being imported in such increased quantities as to cause or threaten to cause the particular injury. The House recedes.

Amendments Nos. 58, 63, and 89: Under sections 301 (b)(2) and (c)(1) of the bill as passed by the House the Tariff Commission is required, in making its determinations under those sections, to take into account "all economic factors which it considers relevant, including idling of productive facilities, inability to operate at a profit, and unemployment or underemployment". Under section 351(d)(4) as passed by the House, the Tariff Commission is required, in advising the President under section 351(d) as to the probable economic effect of certain action on the industry concerned, to take into account "all economic factors which it considers relevant, including idling of productive facilities, inability to operate at a profit, and unemployment or underemployment." Under Senate amendments Nos. 58, 63, and 89, sections 301(b)(2), 301(c)(1), and 351(d)(4) are each amended to insert the words "level of reasonable" before the word "profit". Thus, under these amendments, the Tariff Commission is required to consider the inability of an industry or a firm to "operate at a level of reasonable profit" instead of considering the inability of the firm or industry to "operate at a profit." The House recedes.

Amendments Nos. 59 and 66: Under the bill as passed by the House, the Tariff Commission is required under certain conditions to determine whether as a result of concessions granted under trade agreements an article is being imported in such increased quantities as to cause, or threaten to cause (1) serious injury to the domestic industry or firm producing like or directly competitive articles, or (2) unemployment or underemployment of a significant number or proportion of the workers in a firm (or subdivision thereof) producing like or directly competitive articles. Under amendments Nos. 59 and 66, increased imports must be considered to cause, or threaten to cause, the injury or unemployment or underemployment, as the case may be, whenever the Tariff Commission finds, in an appropriate investigation, that they have been "the major factor" in causing, or threatening to cause, such injury or unemployment or underemployment. The

House recedes. It is intended that the same degree of causal connection provided for under these amendments will also be applicable to the determinations to be made by the Secretary of Commerce under section 302(b)(1), and by the Secretary of Labor under section 302(b)(2).

Amendments Nos. 61, 64, and 67: Under section 301(c) of the bill as passed by the House, the Tariff Commission is required, whenever a firm or a group of workers petitions for a determination of eligibility to apply for adjustment assistance, to make not only the investigation necessary to that determination but also the investigation necessary for an industry determination under section 301(b). Senate amendments Nos. 61 and 64 delete the requirement that industry determinations be made on petitions under section 301(c) and provide in lieu thereof that investigations under section 301(c) be made promptly. Senate amendment No. 67 deletes section 301(c)(3) of the bill as passed by the House under which the Tariff Commission could provide that, during a period beginning not earlier than 30 days after publication of notice of hearings with respect to an industry and ending not later than the date of the report of the Commission with respect thereto, no petition for a determination of eligibility to apply for adjustment assistance could be filed by a firm or group of workers in such industry with respect to the same articles. The House recedes on Senate amendments Nos. 61, 64, and 67.

Amendments Nos. 69 and 70: Section 301(d) of the bill as passed by the House requires the Tariff Commission, in the course of any investigation under section 301, to hold public hearings, after reasonable notice, and to afford interested parties an opportunity to be present at the hearings, and to produce evidence and be heard. Senate amendment No. 69 continues this requirement but limits it to investigations under section 301(b) (industry determinations). Senate amendment No. 70 adds a new paragraph to section 301(d) setting forth the hearing requirements in the case of investigations under section 301(c) (determinations of eligibility of firms and groups of workers to apply for adjustment assistance). Under this amendment a hearing is not required in the case of a section 301(c) investigation unless requested by the petitioner, or, within 10 days after notice of the filing of a petition, by any other party showing a proper interest in the subject matter of the investigation. The House recedes on Senate amendment No. 69. The House recedes on Senate amendment No. 70 with an amendment to make it clear that, where a request for hearings has been made in connection with an investigation under section 301(c), any interested party will be given an opportunity to be present, produce evidence, and be heard at such hearings.

Amendments Nos. 71 and 72: Section 301(f)(2) of the bill as passed by the House requires the Tariff Commission to make a report of its determination as to any industry investigation under section 301(b) "not later than 120 days after the date on which the petition is filed (or the date on which the request or resolution is received or the motion is adopted, as the case may be), unless the President extends such time for an additional period, which shall not exceed 30 days." Senate amendment No. 71 requires that any such report must be filed not later than 6 months after the relevant date, and Senate amendment No. 72 strikes the authority of the President to extend for 30 days the time for filing such a report. The House recedes.

Amendment No. 73: This amendment prohibits, for the 60-day period following the enactment of the bill, (1) the filing of petitions for tariff adjustment and for determinations of eligibility to apply for adjustment assistance, and (2) the making of requests, resolutions, or motions for Tariff Commission investigations under section 301(b). The amendment would not, however, prevent the continuation, as though a petition for tariff adjustment under section 351 had been filed, of any investigation commenced under section 7 of the Trade Agreements Extension Act of 1951 (escape-clause provisions), which is in progress on the date of enactment of the bill. The House recedes.

Amendment No. 74: This amendment authorizes the President, after receiving an affirmative finding from the Tariff Commission under section 301(b) with respect to any industry, to provide tariff adjustment for such industry under section 352 (added to the bill by Senate amendment No. 90) which relates to orderly marketing agreements. The House recedes with certain technical amendments which are required by the enactment on September 27, 1962, of Public Law 87–710.

Amendment No. 75: Under section 323(c)(1) of the bill as passed by the House, the amount of trade readjustment allowance payable for any week to an adversely affected worker, who is not undergoing training approved by the Secretary of Labor, is reduced by the amount of unemployment insurance to which such worker is entitled with respect to such week, whether or not such worker has filed a claim for the insurance. Under Senate amendment No. 75, the amount of trade readjustment allowance payable to any such worker for any such week is reduced only by the amount of unemployment insurance which he has received or is seeking with respect to such week. If the appropriate State or Federal agency finally determines that such worker is not entitled to such insurance for such week, the reduction will not apply. The House recedes.

Amendments Nos. 76 and 77: The first sentence of section 323(d) of the bill as passed by the House provides that if unemployment insurance, or a training allowance under the Manpower Development and Training Act of 1962 or the Area Redevelopment Act, is payable to an adversely affected worker for weeks for which he would have been entitled to trade readjustment allowances if he had applied for such allowances, the number of weeks for which he may receive trade readjustment allowances is reduced by the number of weeks for which such unemployment insurance or such training allowances are payable. Under Senate amendment No. 76, the number of weeks for which any such worker may receive trade readjustment allowances is reduced only by the number of weeks for which such unemployment insurance or training allowances are actually paid to such worker.

The second sentence of section 323(d) of the House bill provides that if the unemployment insurance or the training allowance payable to an adversely affected worker for any week is less than the amount of the trade readjustment allowance to which such worker would be entitled if he applied for such allowance, he will, when determined to be entitled to such allowance, be paid an additional amount equal to the difference for each of the earlier weeks. Under Senate amendment No. 77, such additional amount will be payable only if the worker was actually paid unemployment insurance or a training

allowance for the relevant week. The House recedes on Senate amendments Nos. 76 and 77.

Amendment No. 78: Section 323(g) of the bill as passed by the House provided for reimbursing State agencies making payments of unemployment insurance under State law to adversely affected workers for weeks during which they were undergoing training approved by the Secretary of Labor. The reimbursement was to be made to the extent that the reimbursed insurance payment did not exceed the trade readjustment allowance which the worker would have received if he had applied for such allowance and had not received the State payment.

Senate amendment No. 78 strikes out section 323(g) of the bill as passed by the House and inserts a new section 323(g). Paragraph (1) of the new section 323(g) provides that if unemployment insurance is paid under a State law to an adversely affected worker for a week for which—

(1) he receives a trade readjustment allowance, or

(2) he makes application for a trade readjustment allowance and would be entitled (determined without regard to subsec. (c) or (e) of sec. 323) to receive such allowance,

the State agency making such payment shall, unless it has been reimbursed for such payment under other Federal law, be reimbursed from funds appropriated to the Secretary of Labor to carry out his functions under the bill in connection with furnishing adjustment assistance to workers, to the extent such payment does not exceed the amount of the trade readjustment allowance which such worker would have received, or would have been entitled to receive, as the case may be, if he did not receive a State payment. As under the bill as passed by the House, the amount of reimbursement is to be determined by the Secretary of Labor on the basis of reports furnished to him by the State agency.

Paragraph (2) of the new section 323(g) (for which there was no comparable provision in the House bill) provides that, in any case in which a State agency is reimbursed under paragraph (1) for payments of unemployment insurance made to an adversely affected worker, such payments, and the period of unemployment of such worker for which such payments were made, may be disregarded under the State law (and for purposes of applying sec. 3303 of the Internal Revenue Code of 1954) in determining whether or not an employer is entitled to a reduced rate of contributions permitted by the State law. The House recedes. It is the understanding of the managers on the part of the House that, with respect to the conference action on Senate amendment No. 78, the conferees on the part of both the House and the Senate intend that if—

(1) payments of unemployment insurance are made by a State to an adversely affected worker and the State agency is reimbursed for such payments, and

(2) such payments, and the period of unemployment of such worker for which such payments were made, are disregarded under State law in determining whether or not an employer is entitled to a reduced rate of contributions permitted by State law,

then the worker is not to have his eligibility for unemployment insurance under the State law reduced on account of such payments.

Amendments Nos. 84, 85, and 88: Section 351(c) of the bill as passed by the House provides, among other things, that any increase

in, or imposition of, any duty or other import restriction proclaimed under section 351 of the bill or section 7 of the Trade Agreements Extension Act of 1951 (escape-clause provisions) shall terminate not later than the close of the date which is 4 years after the effective date of the initial proclamation, or the date of the enactment of the bill, whichever is the later; unless the President extends the same in whole or in part for such periods (not in excess of 4 years at any one time) as he may determine. Senate amendments Nos. 84 and 85 change "4 years" where it appears in section 351(c) of the House bill to "5 years". The House recedes on Senate amendment No. 84 with an amendment providing a 4-year period with respect to future action proclaimed pursuant to section 351 of the bill, and a 5-year period with respect to action proclaimed pursuant to section 7 of the Trade Agreements Extension Act of 1951. The Senate recedes on Senate amendment No. 85.

Senate amendment No. 88 is a technical amendment conforming to Senate amendments Nos. 84 and 85. The House recedes with an amendment conforming this provision to the conference action with respect to amendments Nos. 84 and 85.

Amendment No. 87: This amendment permits the Tariff Commission "upon its own motion," as well as upon request by the President, to advise the President of its judgment as to the probable economic effect on the industry concerned of the reduction or termination of any increase in, or imposition of, duty or other import restriction proclaimed pursuant to section 351 of the bill or section 7 of the Trade Agreements Extension Act of 1951. The House recedes.

Amendment No. 90: This amendment adds a new section 352 to the bill as passed by the House which relates to orderly marketing agreements. Under this section the President may, after receiving an affirmative finding of the Tariff Commission with respect to an industry, negotiate international agreements with foreign countries limiting the export from such countries to the United States of any article the increased imports of which the Tariff Commission has found to be causing, or threatening to cause, serious injury to the industry. This authority is to be exercised by the President in his discretion, instead of providing tariff adjustment under section 351, when he determines such action to be more appropriate than action under section 351 to prevent or remedy the injury to the industry. The House recedes.

Amendment No. 91: This amendment adds a new section to the bill giving the President additional authority to increase tariffs, impose new tariffs on articles not otherwise subject to duty, and impose quotas when he finds it to be in the national interest. The Senate recedes.

W. D. Mills,
Cecil R. King,
Hale Boggs,
Eugene J. Keogh,
Noah Mason,
John W. Byrnes,
Howard H. Baker,
Managers on the Part of the House.

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infringement shall remain in the Attorney General"; and the Senate agree to the same.

OREN HARRIS,
PETER F. MACK, Jr.,
LEO W. O'BRIEN,
JOHN D. DINGELL,
J. ARTHUR YOUNGER,
MILTON W. GLENN,
Managers on the Part of the House.

RUSSELL B. LONG,
ALAN BIBLE,
EVERETT M. DIRKSEN,
K. B. KEATING,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7283) to amend the War Claims Act of 1948, as amended, to provide compensation for certain World War II losses, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

TECHNICAL AND CLERICAL AMENDMENTS

The following Senate amendments made technical, clerical, clarifying, or conforming changes: 1, 2, 3, 4, 7, 10, 11, 12, 17, and 18. With respect to these amendments the House recedes in order to conform to other action by the conference, or the Senate recedes in order to conform to other action agreed on by the committee of conference.

LATE NATIONALS

Amendment No. 5 would have authorized payment of war claims to persons presently U.S. nationals, who were not such nationals at the time the loss occurred.

Amendment No. 8 would have authorized the Foreign Claims Settlement Commission to determine the amount and validity of, and provided for the payment of claims of certain U.S. nationals who, while nationals of the United States or any government allied or associated with the United States during World War II, were detained as internees, or who, while serving in the armed forces of any government allied with or associated with the United States, were interned as prisoners of war during World War II, and who have since become U.S. nationals.

Amendment No. 9 would have authorized and directed the Foreign Claims Settlement Commission to receive and determine the validity and amount of claims of refugees from certain Communist countries who suffered loss or destruction of, or physical damage to, property in such countries during the period beginning May 8, 1945, and ending January 1, 1952.

With respect to amendments Nos. 5, 8, and 9, the Senate recedes, with the understanding that in the event there remains a balance in the war claims fund after the payment in full of claims provided for under this bill, consideration would be given to legislation providing for payment to these categories of persons. The committee of conference recommends that the Foreign Claims Settlement Commission should proceed to make an estimate of the amount of claims that would be involved in these amendments.

SMALL BUSINESS CLAIMANTS

Amendment No. 6 would provide for payment in full after payments have been made in full for certain death and disability claims, to claimants certified by the Small Business Administration to have been small business concerns at the time of loss, damage, or destruction to its property. The House recedes with a clerical amendment.

SALE OF GENERAL ANILINE & FILM CORP.

Amendment No. 13 contains the provisions of H.R. 3460, as passed by the House of Representatives on August 9, 1962. This amendment, which authorizes the sale, in time of war or national emergency, of any property or interest claimed in any suit filed under section 9(a) of the Trading With the Enemy Act, in substance, will provide for the sale of the General Aniline & Film Corp. The history of the problem dealt with in this amendment is set forth in full in House Report No. 2046, 87th Congress, accompanying H.R. 3460. In view of the sizable amounts involved in this sale, the managers on the part of the House expect that the Department of Justice will advise the Congress in advance of the arrangements made by the Department with respect to such sale.

CLAIMS OF SUCCESSOR ORGANIZATIONS

Amendment No. 14 provides for the settlement of claims of successor organizations for the return of vested heirless property. A House bill on this subject, H.R. 5028, was reported from the Committee on Interstate and Foreign Commerce on July 24, 1962.

DIVESTMENT OF ESTATES AND TRUSTS

Amendment No. 15 provides for the divestment of the Government's interest in vested estates, trusts, insurance policies, etc. All rights and interests in such property which have not become payable or deliverable to the Attorney General prior to December 31, 1961, would be divested.

DIVESTMENT OF COPYRIGHTS

Amendment No. 16 provides for the divestment of the Government's interest in certain copyrights. This subject was dealt with in H.R. 9045 which passed the House on August 13, 1962.

This amendment, as agreed to by the conferees, also provides for the Court of Claims to hear, determine, and report to the Congress concerning claims arising out of the vesting of certain shares of the General Dyestuff Corp. These shares were vested by the United States during World War II on the theory that their ownership by an American citizen was serving to cloak ownership by German nationals. Proceedings in the court must be instituted within 1 year after the date of enactment of this bill.

OREN HARRIS,
PETER F. MACK, JR.,
LEO W. O'BRIEN,
JOHN D. DINGELL,
J. ARTHUR YOUNGER,
MILTON W. GLENN,
Managers on the Part of the House.

TRADE EXPANSION ACT OF 1962

Mr. MILLS submitted the following conference report and statement on the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes:

CONFERENCE REPORT (H. REPT. No. 2518)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes, having met after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 2, 5, 6, 7, 8, 9, 12, 13, 14, 21, 22, 34, 35, 45, 46, 47, 48, 50, 83, 85, and 91.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 10, 11, 15, 16, 17, 18, 19, 20, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33 36, 37, 39, 40, 41, 42, 43, 44, 52, 54, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 71, 72, 73, 75, 76, 77, 78, 79, 80, 81, 86, 87, 89, 90, 92, 93, and 94, and agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "world; and"; and the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment as follows: In lieu of the matter proposed to be stricken out by the Senate amendment insert the following:

"(3) to prevent Communist economic penetration."

And the Senate agree to the same.

Amendment numbered 38: That the House recede from its disagreement to the amendment of the Senate numbered 38, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"(3) notwithstanding any provision of any trade agreement under this Act and to the extent he deems necessary and appropriate, impose duties or other import restrictions on the products of any foreign country or instrumentality establishing or maintaining such foreign import restrictions against the United States agricultural products, when he deems such duties and other import restrictions necessary and appropriate to prevent the establishment or obtain the removal of such foreign import restrictions and to provide access for United States agricultural products to the markets of such country or instrumentality on an equitable basis."

And the Senate agree to the same.

Amendment numbered 49: That the House recede from its disagreement to the amendment of the Senate numbered 49, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "into, and, when referring to a rate of duty, refers to the rate of duty (however established, and even though temporarily suspended by Act of Congress or otherwise) existing on such day."; and the Senate agree to the same.

Amendment numbered 51: That the House recede from its disagreement to the amendment of the Senate numbered 51, and agree to the same with amendments as follows:

Page 9, line 20, of the Senate engrossed amendments, strike out "section 350" and insert: "sections 323 and 350".

Page 10, line 5, of the Senate engrossed amendments, after "United States" strike out the comma.

Page 10 of the Senate engrossed amendments, strike out lines 7 to 22, inclusive, and in lieu thereof insert the following:

"(2) The lowest preferential or nonpreferential rate of duty in rate column numbered 1 for each item in schedules 1 to 7, inclusive, of the Tariff Schedules of the United States on the effective date provided in section 501(a) of this Act shall be treated as the lowest preferential or nonpreferential rate of duty, respectively, existing on July 1, 1962; except that in the case of any such item included in a supplemental report made pursuant to section 101(c) of this Act to reflect a change proclaimed by the President after July 1, 1962 (other than a change to which the United States was committed on July 1, 1962), the rate treated as the lowest

nonpreferential rate of duty existing on July 1, 1962, shall be the rate which the Commission specifically declares in such supplemental report to be the rate which, in its judgment, conforms to the fullest extent practicable to the rate regarded as existing on July 1, 1962, under section 256(4) of the Trade Expansion Act of 1962."

And the Senate agree to the same.

Amendment numbered 53: That the House recede from its disagreement to the amendment of the Senate numbered 53, and agree to the same with an amendment as follows:

Page 12, lines 5 and 6, of the Senate engrossed amendments, strike out "on any fish in any form imported from such country into the United States,", and insert in lieu thereof the following: "on any fish (in any form which is the product of such country,"; and the Senate agree to the same.

Amendment numbered 55: That the House recede from its disagreement to the amendment of the Senate numbered 55, and agree to the same with an amendment as follows:

Page 12, line 23, of the Senate engrossed amendments, strike out "or for the negotiation of an agreement under section 352"; and the Senate agree to the same.

Amendment numbered 70: That the House recede from its disagreement to the amendment of the Senate numbered 70, and agree to the same with an amendment as follows:

Page 15, line 5, of the Senate engrossed amendments, strike out "such", and insert in lieu thereof "interested"; and the Senate agree to the same.

Amendment numbered 74: That the House recede from its disagreement to the amendment of the Senate numbered 74, and agree to the same with amendments as follows:

Page 42, of the House engrossed bill, strike out line 9 and all that follows through line 3 on page 43, and insert:

"(b) Effective with respect to net operating losses for taxable years ending after December 31, 1955, subsection (b) of section 172 of the Internal Revenue Code of 1954 (relating to net operating loss carrybacks and carryovers) is amended to read as follows:

"'(b) NET OPERATING LOSS CARRYBACKS AND CARRYOVERS.—

"'(1) YEARS TO WHICH LOSS MAY BE CARRIED.—

"'(A)(i) Except as provided in clause (ii), a net operating loss for any taxable year ending after December 31, 1957, shall be a net operating loss carryback to each of the 3 taxable years preceding the taxable year of such loss.

"'(ii) In the case of a taxpayer with respect to a taxable year ending on or after December 31, 1962, for which a certification had been issued under section 317 of the Trade Expansion Act of 1962, a net operating loss for such taxable year shall be a net operating loss carryback to each of the 5 taxable years preceding the taxable year of such loss.

"'(B) Except as provided in subpagraph (C), a net operating loss for any taxable year ending after December 31, 1955, shall be a net operating loss carryover to each of the 5 taxable years following the taxable year of such loss.

"'(C) In the case of a taxpayer which is a regulated transportation corporation (as defined in subsection (j)(1)), a net operating loss for any taxable year ending after December 31, 1955, shall (except as provided in subsection (j)) be a net operating loss carryover to each of the 7 taxable years following the taxable year of such loss.'"

Page 43, line 5, of the House engrossed bill, strike out "subsection (i)," and insert: "subsections (i) and (j),".

Page 44, line 2, of the House engrossed bill, strike out "(1)(B)" and insert: "(1)(A)(ii)".

Page 44, line 25, of the House engrossed bill, strike out "(1)(B)" and insert: "(1)(A)(ii)".

And the Senate agree to the same.

Amendment numbered 82: That the House recede from its disagreement to the amendment of the Senate numbered 82, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "or, if the article is dutiable but no rate existed on July 1, 1934, the rate existing at the time of the proclamation,"; and the Senate agree to the same.

Amendment numbered 84: That the House recede from its disagreement to the amendment of the Senate numbered 84, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "4 years (or, in the case of any such increase or imposition proclaimed pursuant to such section 7, 5 years)"; and the Senate agree to the same.

Amendment numbered 88: That the House recede from its disagreement to the amendment of the Senate numbered 88, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "applicable"; and the Senate agree to the same.

WILBUR D. MILLS,
CECIL R. KING,
HALE BOGGS,
EUGENE J. KEOGH,
NOAH M. MASON,
JOHN W. BYRNES,
HOWARD H. BAKER,
Managers on the Part of the House.

HARRY FLOOD BYRD,
ROBERT S. KERR,
RUSSELL B. LONG,
GEORGE A. SMATHERS,
JOHN J. WILLIAMS,
FRANK CARLSON,
CARL T. CURTIS,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The following Senate amendments made technical, clerical, clarifying, or conforming changes: 2, 3, 10, 11, 19, 24, 26, 27, 30, 31, 32, 33, 36, 37, 40, 42, 43, 44, 46, 47, 48, 49, 50, 54, 56, 60, 68, 79, 80, 81, 82, 83, 86, 92, 93, and 94. With respect to these amendments (1) the House either recedes or recedes with amendments which are technical, clerical, clarifying, or conforming in nature, or (2) the Senate recedes in order to conform to other action agreed upon by the committee of conference.

Amendments Nos. 1 and 4: Section 102 of the bill as passed by the House provided that the purposes of the Trade Expansion Act of 1962 are, through trade agreements affording mutual benefits—

(1) to stimulate the economic growth of the United States and maintain and enlarge foreign markets for the products of U.S. agriculture, industry, mining, and commerce;

(2) to strengthen economic relations with foreign countries through the development of open and nondiscriminatory trading in the free world;

(3) to assist in the progress of countries in the earlier stages of economic development; and

(4) to prevent Communist economic penetration.

Senate amendment No. 1 inserts the word "trade" before "benefits" in the introductory clause, thus making the phrase read "affording mutual trade benefits." The House recedes. Senate amendment No. 4 struck out the purposes specified in (3) and (4) above. The House recedes with an amendment. Under the conference agreement, the purpose specified in (4) is restored to the bill.

Amendments Nos. 5, 6, 7, 8, 9, 12, 13, 14, and 45: Chapter 2 of title II of the bill as passed by the House contains special provisions concerning the European Economic Community under which the President is authorized to reduce by more than 50 percent (or to remove) duties on certain articles. Under the Senate amendments, the Free European Trading Community was substituted for the European Economic Community. Under Senate amendment No. 45, the term "Free European Trading Community" was defined (sec. 256 of the bill) to mean (A) the European Economic Community, and (B) any country, designated by the President, which is a member of the European Free Trade Association. The Senate recedes.

Amendments Nos. 15, 16, 17, and 18: Section 221 of the bill as passed by the House requires the Tariff Commission to advise the President with respect to each article listed by the President for possible tariff concession of its judgment as to the probable economic effect of modifications of duties or other import restrictions on industries producing like or directly competitive articles. Under Senate amendment No. 15, this advice is required so as to assist the President in making an informed judgment as to the impact that might be caused by such modifications on U.S. industry, agriculture, and labor.

Senate amendments Nos. 16 and 18 are technical amendments transferring the requirement for public hearings from the last sentence of subsection (b) of section 211 to a new subsection (d).

Senate amendment No. 17 adds a new subsection (c) to section 221 of the bill. The new subsection requires the Tariff Commission, in preparing its advice to the President, to the extent practicable to—

(1) investigate conditions, causes, and effects relating to competition between the foreign industries producing the articles in question and the domestic industries producing the like or directly competitive articles;

(2) analyze the production, trade, and consumption of each like or directly competitive article, taking into consideration employment, profit levels, and use of productive facilities with respect to the domestic industries concerned, and such other economic factors in such industries as it considers relevant, including prices, wages, sales, inventories, patterns of demand, capital investment, obsolescence of equipment, and diversification of production;

(3) describe the probable nature and extent of any significant change in employment, profit levels, use of productive facilities, and such other conditions as it deems relevant in the domestic industries concerned which it believes such modifications would cause; and

(4) make special studies (including studies of real wages paid in foreign supplying countries), whenever deemed to be warranted, of particular proposed modifications affecting U.S. industry, agriculture, and labor, utilizing to the fullest extent practicable the facilities of U.S. attachés abroad and other appropriate personnel of the United States.

The House recedes on Senate amendments Nos. 15, 16, 17, and 18.

Amendment No. 20: Section 225(b) of the bill as passed by the House required the

President, during the 4-year period which begins on the date of the enactment of the bill, to reserve certain articles (with respect to which a majority of the Tariff Commission has, under prior law, found serious injury or threat thereof) from negotiation under the bill for the reduction of any duty or other import restriction or the elimination of any duty. Senate amendment No. 20 requires the reservation to be 5 years rather than 4 years. The House recedes.

Amendment No. 21: Section 231 of the bill as passed by the House directs the President to suspend, withdraw, or prevent the application of any trade agreement concessions to products of any country or area dominated or controlled by Communism. Senate amendment No. 21 struck out "any country or area dominated or controlled by Communism" and inserted "the Union of Soviet Socialist Republics, Communist China, and any other country or area dominated or controlled by the foreign government or foreign organization controlling the world Communist movement". The Senate recedes.

Amendment No. 22: The bill as passed by the House provided that the Special Representative for Trade Negotiations shall be the chief representative of the United States for each negotiation held under the authority granted in title II of the bill. Senate amendment No. 22 provided that the Special Representative shall be the chief representative of the United States for each general multilateral negotiation under such authority. The Senate recedes. While it is not contemplated that the Special Representative for Trade Negotiations will be required personally to conduct relatively minor negotiations, he will be responsible for all negotiations conducted under title II of the bill. The Special Representative has authority to employ a staff to assist him in carrying out his various responsibilities under the bill. In addition, he may from time to time draw upon the personnel and resources of other agencies for his needs in this regard.

Amendments Nos. 23, 25, and 28: Under the bill as passed by the House, the chairman of the interagency organization provided for by section 242 of the bill was to be a Cabinet officer selected by the President, and the Special Representative for Trade Negotiations was to be an ex officio member of such organization. Under Senate amendments Nos. 23, 25, and 28 the Special Representative is to be chairman of the interagency organization. The House recedes.

Amendment No. 29: Under the bill as passed by the House, the interagency trade organization is required to meet periodically at such times as the President or the chairman directs. This amendment deletes the word "periodically". The House recedes.

Amendments Nos. 34 and 35: Section 252 (a) of the bill as passed by the House directs the President to take certain action whenever unjustifiable foreign import restrictions impair the value of tariff commitments made to the United States, oppress the commerce of the United States, or prevent the expansion of trade on a mutually advantageous basis. Under Senate amendment No. 34 the word "unjustifiable", appearing before the phrase "foreign import restrictions", was stricken, and under Senate amendment No. 35 the word "unjustifiably" was inserted before the phrase "oppress the commerce of the United States". The Senate recedes on Senate amendments Nos. 34 and 35.

Amendment No. 38: Section 252(a) of the bill as passed by the House requires that, whenever unjustifiable foreign import restrictions impair the value of tariff commitments made to the United States, oppress the commerce of the United States, or prevent the expansion of trade on a mutually advantageous basis, the President shall take certain action to obtain the elimination or reduction of the restrictions. Senate amendment No. 38 required the President, acting under section 252(a), notwithstanding any provision of any trade agreement under the bill, to impose duties or other import restrictions on the products of any foreign country or instrumentality establishing or maintaining foreign import restrictions described in section 252(a) against U.S. agricultural products, to the extent he deems such duties and other import restrictions necessary to prevent the establishment or obtain the removal of such foreign import restrictions and to provide access for U.S. agricultural products to the markets of such country or instrumentality on an equitable basis. The House recedes with an amendment. Under the conference agreement the President is to exercise the authority to impose duties and other import restrictions contained in Senate amendment No. 38, notwithstanding any provision of any trade agreement under the bill and to the extent he deems necessary and appropriate, when he deems such duties and other import restrictions necessary and appropriate to prevent the establishment or obtain the removal of the foreign import restrictions described in section 252(a) and to provide access for U.S. agricultural products to the markets of such country or instrumentality on an equitable basis.

Amendment No. 39: Section 252(b) of the bill as passed by the House directs the President, among other things, to deny trade agreement benefits to products of a country which maintains nontariff trade restrictions which substantially burden U.S. commerce in a manner inconsistent with provisions of trade agreements, and the section specifically includes within such nontariff trade restrictions "unlimited variable import fees." Senate amendment No. 39 includes within such nontariff trade restrictions variable import fees, whether unlimited or not. The House recedes.

Amendment No. 41: Under this amendment the President is given the authority to deny trade agreement benefits to products of any country or instrumentality maintaining unreasonable import restrictions which, directly or indirectly, substantially burden U.S. commerce. This authority may be exercised to the extent that the action is consistent with the purposes set forth in section 102 of the bill and with due regard to the international obligations of the United States. The House recedes.

Amendment No. 51: This is a technical amendment making certain changes in the Tariff Classification Act of 1962 required by the enactment of the Trade Expansion Act of 1962. The House recedes with technical and clarifying amendments.

Amendment No. 52: This amendment makes it clear that the provisions of the bill do not in any way affect section 22 of the Agricultural Adjustment Act, or any import restriction thereunder. The House recedes.

Amendment No. 53: This amendment adds a new section to the Tariff Act of 1930 relating to conservation of fishery resources. Under this section the President is directed, upon the convocation of a conference on the use or conservation of international fishery resources, to use all appropriate means to persuade other countries whose practices or policies affect such resources, to negotiate in good faith concerning such use or conservation. If any country, the conservation practices or policies of which affect the interests of the United States and of other countries agreeing to engage in such negotiations, fails or refuses to negotiate in good faith, the President may, with a view to inducing such country to negotiate in good faith, increase the rate of duty on imports into the United States of any fish in any form which is imported from such country to a rate not more than 50 percent above the rate existing on July 1, 1934. Any such increase may continue for such time as the President deems necessary. The House recedes with an amendment to relate any such increase in rates of duty to products of such country rather than to imports from such country.

Amendment No. 55: Section 301(a) of the bill as passed by the House provides for the filing of petitions for tariff adjustment under section 351 and of petitions for determinations of eligibility to apply for adjustment assistance under title III. It also states who may file such petitions. This amendment sets forth the two types of petitions in separate paragraphs, and authorizes the filing of petitions for the negotiation of agreements under section 352 (added by Senate amendment No. 90). The House recedes with an amendment deleting the language in the Senate amendment relating to the filing of petitions for the negotiation of agreements under section 352.

Amendments Nos. 57, 62, and 65: Under section 301 of the bill as passed by the House, the Tariff Commission is required to make certain determinations of injury. Such determinations are to be made in the case of industries under section 301(b)(1), in the case of firms under section 301(c)(1), and in the case of groups of workers under section 301(c)(2). In each case, under the House bill, the Tariff Commission must determine "whether, as a result of concessions granted under trade agreements" an article is being imported into the United States in such increased quantities as to cause or threaten to cause the particular injury. Under Senate amendments Nos. 57, 62, and 65 the Tariff Commission must determine "whether, as a result in major part of concessions granted under trade agreements" an article is being imported in such increased quantities as to cause or threaten to cause the particular injury. The House recedes.

Amendments Nos. 58, 63, and 89: Under sections 301 (b)(2) and (c)(1) of the bill as passed by the House the Tariff Commission is required, in making its determinations under those sections, to take into account "all economic factors which it considers relevant, including idling of productive facilities, inability to operate at a profit, and unemployment or underemployment." Under section 351(d)(4) as passed by the House, the Tariff Commission is required, in advising the President under section 351(d) as to the probable economic effect of certain action on the industry concerned, to take into account "all economic factors which it considers relevant, including idling of productive facilities, inability to operate at a profit, and unemployment or underemployment." Under Senate amendments Nos. 58, 63, and 89, sections 301(b)(2), (c)(1), and 351(d)(4) are each amended to insert the words "level of reasonable" before the word "profit." Thus, under these amendments, the Tariff Commission is required to consider the inability of an industry or a firm to "operate at a level of reasonable profit" instead of considering the inability of the firm or industry to "operate at a profit." The House recedes.

Amendments Nos. 59 and 66: Under the bill as passed by the House, the Tariff Commission is required under certain conditions to determine whether as a result of concessions granted under trade agreements an article is being imported in such increased quantities as to cause, or threaten to cause (1) serious injury to the domestic industry or firm producing like or directly competitive articles, or (2) unemployment or underemployment of a significant number of proportion of the workers in a firm (or subdivision thereof) producing like or directly competitive articles. Under amendments Nos. 59 and 66, increased imports must be considered to cause, or threaten to cause, the injury or unemployment or underemployment, as the case may be, whenever the Tariff Commission finds, in an appropriate investigation, that they have been "the ma-

jor factor" in causing, or threatening to cause, such injury or unemployment or underemployment. The House recedes. It is intended that the same degree of causal connection provided for under these amendments will also be applicable to the determinations to be made by the Secretary of Commerce under section 302(b)(1), and by the Secretary of Labor under section 302(b)(2).

Amendments Nos. 61, 64, and 67: Under section 301(c) of the bill as passed by the House, the Tariff Commission is required, whenever a firm or a group of workers petitions for a determination of eligibility to apply for adjustment assistance, to make not only the investigation necessary to that determination but also the investigation necessary for an industry determination under section 301(b). Senate amendments Nos. 61 and 64 delete the requirement that industry determinations be made on petitions under section 301(c) and provide in lieu thereof that investigations under section 301(c) be made promptly. Senate amendment No. 67 delete section 301(c)(3) of the bill as passed by the House under which the Tariff Commission could provide that, during a period beginning not earlier than 30 days after publication of notice of hearings with respect to an industry and ending not later than the date of the report of the Commission with respect thereto, no petition for a determination of eligibility to apply for adjustment assistance could be filed by a firm or group of workers in such industry with respect to the same articles. The House recedes on Senate amendments Nos. 61, 64, and 67.

Amendments Nos. 69 and 70: Section 301 (d) of the bill as passed by the House requires the Tariff Commission, in the course of any investigation under section 301, to hold public hearings, after reasonable notice, and to afford interested parties an opportunity to be present at the hearings, and to produce evidence and be heard. Senate amendment No. 69 continues this requirement but limits it to investigations under section 301(b) (industry determinations). Senate amendment No. 70 adds a new paragraph to section 301(d) setting forth the hearing requirements in the case of investigations under section 301(c) (determinations of eligibility of firms and groups of workers to apply for adjustment assistance). Under this amendment a hearing is not required in the case of a section 301(c) investigation unless requested by the petitioner, or, within 10 days after notice of the filing of a petition, by any other party showing a proper interest in the subject matter of the investigation. The House recedes on Senate amendment No. 69. The House recedes on Senate amendment No. 70 with an amendment to make it clear that, where a request for hearings has been made in connection with an investigation under section 301(c), any interested party will be given an opportunity to be present, produce evidence, and be heard at such hearings.

Amendments Nos. 71 and 72: Section 301(f)(2) of the bill as passed by the House requires the Tariff Commission to make a report of its determination as to any industry investigation under section 301(b) "not later than 120 days after the date on which the petition is filed (or the date on which the request or resolution is received or the motion is adopted, as the case may be), unless the President extends such time for an additional period, which shall not exceed 30 days." Senate amendment No. 71 requires that any such report must be filed not later than 6 months after the relevant date, and Senate amendment No. 72 strikes the authority of the President to extend for 30 days the time for filing such a report. The House recedes.

Amendment No. 73: This amendment prohibits, for the 60-day period following the enactment of the bill, (1) the filing of petitions for tariff adjustment and for determinations of eligibility to apply for adjustment assistance, and (2) the making of requests, resolutions, or motions for Tariff Commission investigations under section 301(b). The amendment would not, however, prevent the continuation, as though a petition for tariff adjustment under section 351 had been filed, of any investigation commenced under section 7 of the Trade Agreements Extension Act of 1951 (escape-clause provisions), which is in progress on the date of enactment of the bill. The House recedes.

Amendment No. 74: This amendment authorizes the President, after receiving an affirmative finding from the Tariff Commission under section 301(b) with respect to any industry, to provide tariff adjustment for such industry under section 352 (added to the bill by Senate amendment No. 90) which relates to orderly marketing agreements. The House recedes with certain technical amendments which are required by the enactment on September 27, 1962, of Public Law 87–710.

Amendment No. 75: Under section 323(c)(1) of the bill as passed by the House, the amount of trade readjustment allowance payable for any week to an adversely affected worker, who is not undergoing training approved by the Secretary of Labor, is reduced by the amount of unemployment insurance to which such worker is entitled with respect to such week, whether or not such worker has filed a claim for the insurance. Under Senate amendment No. 75, the amount of trade readjustment allowance payable to any such worker for any such week is reduced only by the amount of unemployment insurance which he has received or is seeking with respect to such week. If the appropriate State or Federal agency finally determines that such worker is not entitled to such insurance for such week, the reduction will not apply. The House recedes.

Amendments Nos. 76 and 77: The first sentence of section 323(d) of the bill as passed by the House provides that if unemployment insurance, or a training allowance under the Manpower Development and Training Act of 1962 or the Area Redevelopment Act, is payable to an adversely affected worker for weeks for which he would have been entitled to trade readjustment allowances if he had applied for such allowances, the number of weeks for which he may receive trade readjustment allowances is reduced by the number of weeks for which such unemployment insurance or such training allowances are payable. Under Senate amendment No. 76, the number of weeks for which any such worker may receive trade readjustment allowances is reduced only by the number of weeks for which such unemployment insurance or training allowances are actually paid to such worker.

The second sentence of section 323(d) of the House bill provides that if the unemployment insurance or the training allowance payable to an adversely affected worker for any week is less than the amount of the trade readjustment allowances to which such worker would be entitled if he applied for such allowance, he will, when determined to be entitled to such allowance, be paid an additional amount equal to the difference for each of the earlier weeks. Under Senate amendment No. 77, such additional amount will be payable only if the worker was actually paid unemployment insurance or a training allowance for the relevant week. The House recedes on Senate amendments Nos. 76 and 77.

Amendment No. 78: Section 323(g) of the bill as passed by the House provided for reimbursing State agencies making payments of unemployment insurance under State law to adversely affected workers for weeks during which they were undergoing training approved by the Secretary of Labor. The reimbursement was to be made to the extent that the reimbursed insurance payment did not exceed the trade readjustment allowance which the worker would have received if he had applied for such allowance and had not received the State payment.

Senate amendment No. 78 strikes out section 323(g) of the bill as passed by the House and inserts a new section 323(g). Paragraph (1) of the new section 323(g) provides that if unemployment insurance is paid under a State law to an adversely affected worker for a week for which—

(1) he receives a trade readjustment allowance, or

(2) he makes application for a trade readjustment allowance and would be entitled (determined without regard to subsection (c) or (e) of section 323) to receive such allowance,

the State agency making such payment shall, unless it has been reimbursed for such payment under other Federal law, be reimbursed from funds appropriated to the Secretary of Labor to carry out his functions under the bill in connection with furnishing adjustment assistance to workers, to the extent such payment does not exceed the amount of the trade readjustment allowance which such worker would have received, or would have been entitled to receive, as the case may be, if he did not receive a State payment. As under the bill as passed by the House, the amount of reimbursement is to be determined by the Secretary of Labor on the basis of reports furnished to him by the State agency.

Paragraph (2) of the new section 323(g) (for which there was no comparable provision in the House bill) provides that, in any case in which a State agency is reimbursed under paragraph (1) for payments of unemployment insurance made to an adversely affected worker, such payments, and the period of unemployment of such worker for which such payments were made, may be disregarded under the State law (and for purposes of applying sec. 3303 of the Internal Revenue Code of 1954) in determining whether or not an employer is entitled to a reduced rate of contributions permitted by the State law. The House recedes. It is the understanding of the managers on the part of the House that, with respect to the conference action on Senate amendment No. 78, the conferees on the part of both the House and the Senate intend that if—

(1) payments of unemployment insurance are made by a State to an adversely affected worker and the State agency is reimbursed for such payments, and

(2) such payments, and the period of unemployment of such worker for which such payments were made, are disregarded under State law in determining whether or not an employer is entitled to a reduced rate of contributions permitted by State law,

then the worker is not to have his eligibility for unemployment insurance under the State law reduced on account of such payments.

Amendments Nos. 84, 85, and 88: Section 351(c) of the bill as passed by the House provides, among other things, that any increase in, or imposition of, any duty or other import restriction proclaimed under section 351 of the bill or section 7 of the Trade Agreements Extension Act of 1951 (escape-clause provisions) shall terminate not later than the close of the date which is 4 years after the effective date of the initial proclamation, or the date of the enactment of the bill, whichever is the later; unless the President extends the same in whole or in part for such periods (not in excess of 4 years at any one time) as he may determine. Sen-

ate amendments Nos. 84 and 85 change "4 years" where it appears in section 351(c) of the House bill to "5 years". The House recedes on Senate amendment No. 84 with an amendment providing a 4-year period with respect to future action proclaimed pursuant to section 351 of the bill, and a 5-year period with respect to action proclaimed pursuant to section 7 of the Trade Agreements Extension Act of 1951. The Senate recedes on Senate amendment No. 85.

Senate amendment No. 88 is a technical amendment conforming to Senate amendments Nos. 84 and 85. The House recedes with an amendment conforming this provision to the conference action with respect to amendments Nos. 84 and 85.

Amendment No. 87: This amendment permits the Tariff Commission "upon its own motion," as well as upon request by the President, to advise the President of its judgment as to the probable economic effect on the industry concerned of the reduction or termination of any increase in, or imposition of, duty or other import restriction proclaimed pursuant to section 351 of the bill or section 7 of the Trade Agreements Extension Act of 1951. The House recedes.

Amendment No. 90: This amendment adds a new section 352 to the bill as passed by the House which relates to orderly marketing agreements. Under this section the President may, after receiving an affirmative finding of the Tariff Commission with respect to an industry, negotiate international agreements with foreign countries limiting the export from such countries to the United States of any article the increased imports of which the Tariff Commission has found to be causing, or threatening to cause, serious injury to the industry. This authority is to be exercised by the President in his discretion, instead of providing tariff adjustment under section 351, when he determines such action to be more appropriate than action under section 351 to prevent or remedy the injury to the industry. The House recedes.

Amendment No. 91: This amendment adds a new section to the bill giving the President additional authority to increase tariffs, impose new tariffs on articles not otherwise subject to duty, and impose quotas when he finds it to be in the national interest. The Senate recedes.

WILBUR D. MILLS,
CECIL R. KING,
HALE BOGGS,
EUGENE J. KEOGH,
NOAH M. MASON,
JOHN W. BYRNES,
HOWARD H. BAKER,
Managers on the Part of the House.

DISTRICT AQUARIUM AUTHORIZATION BILL

(Mrs. GREEN of Oregon asked and was given permission to extend her remarks at this point in the RECORD.)

Mrs. GREEN of Oregon. Mr. Speaker, an aquarium is a most enjoyable and instructive place to visit for grownups and children alike. I would like to have an aquarium constructed in the Nation's Capitol—once more pressing needs have been met. But, Mr. Speaker, I have recently visited homes of needy families in the District. I have seen hungry children, young brothers taking turns wearing the same set of clothing, and a 2-year-old boy with bady bowed legs due to rickets caused by malnutrition. I have seen the haunted look of despair and pleading in the faces of abandoned mothers who see their children in these conditions. In addition, the District public schools are overcrowded; with some children getting only half a day's instruction. The public institutions of our Federal City are overcrowded. There is work to be done among delinquent children and jobs to be created and found for the teenage school dropouts, whom James Conant, formerly president of Harvard University, has aptly described as social dynamite.

Let us put first things first. When we have enough money to restore the items deleted in the welfare programs; when we have enough money for desperately needed classrooms; when we have enough money for milk and hot lunch programs for thousands of hungry children; when we have enough money for clinics for youngsters who urgently need medical attention, then I will be delighted to join in spending the money for the aquarium and the fish.

Mention has been made on the floor of $57 million spent on the Columbia River for fish. My information is that this is money spent on the fisheries program over a period of years extending back to fiscal 1938. Commercial fishing is a prime industry of Oregon. Commercial landings carry a value of about $28 million a year. Some 3,000 licensed commercial fishermen "farm" the rivers and streams of Oregon, mainly the Columbia River, and the coastal waters. They do this incidentally without the benefit of the hundreds of millions of dollars paid out to land farmers for planting or not planting certain agricultural commodities. The Federal monies expended since 1938 are largely to help maintain the propagation patterns and the cleanliness of the Columbia River which flows, I point out, through several States, not just Oregon, for hundreds of miles.

THE FRANKLIN DELANO ROOSEVELT MEMORIAL COMMISSION

Mr. O'NEILL. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 802 and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the joint resolution (H.J. Res. 712) to authorize and direct the Franklin Delano Roosevelt Memorial Commission to raise funds for the construction of a memorial. After general debate, which shall be confined to the joint resolution, and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on House Administration, the joint resolution shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the joint resolution for amendment, the Committee shall rise and report the joint resolution to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the joint resolution and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. O'NEILL. Mr. Speaker, I yield myself such time as I may consume; following which I yield 30 minutes to the gentlewoman from New York [Mrs. ST. GEORGE].

Mr. Speaker, this is an open rule providing for 2 hours of general debate. I know this is a very controversial matter. It is the Franklin Delano Roosevelt Memorial. In 1959 this Congress authorized a committee to go forth and to report to the Congress. They have reported to the Congress and recommended that a memorial be built in honor of our former great President.

I know that many of you who have seen a small likeness of this memorial over in the lobby or the rotunda of the New House Office Building feel the chagrin that I felt when I looked at it. I had the feeling that it does not bring out any of the greatness or the fame of a great President like President Roosevelt. It is my intention when we get into the Committee of the Whole to offer, at the appropriate time, an amendment. That amendment will read in part as follows:

That pursuant to Public Law 372, Eighty-fourth Congress, the Franklin Delano Roosevelt Memorial Comission is hereby authorized and directed to consult with the Commission of Fine Arts to determine whether the winning design of Pedersen and Tilney, of New York, may be so changed or modified to secure the approval of the Commission of Fine Arts. If it is determined that such changes or modifications are not practical, the Commission is authorized and directed to select, with the advice and approval of the Commission of Fine Arts, such other design among those already submitted in the competition for the proposed memorial.

My amendment will also provide that they may consider a living memorial, such as a stadium, an educational institution, an information center, a memorial park, or any other suitable or worthy project.

I have talked to so many Members of Congress on both sides of the aisle who feel as I do that the memorial that this committee has reported back to the Congress is not worthy of the great President who served us only a short time ago.

Mr. Speaker, I shall speak further on this when we get into Committee of the Whole.

Mrs. ST. GEORGE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 802, as has already been explained, makes in order the consideration of House Joint Resolution 712, to authorize and direct the Franklin Delano Roosevelt Memorial Commission to raise funds for the construction of a memorial to the late President Franklin Delano Roosevelt.

Mr. Speaker, I appear here in rather an anomalous position, because I am not only taking charge of the rule for my side of the House, but I was and am a member of the Franklin Delano Roosevelt Commission. I did introduce a concurrent resolution.

Mr. Speaker, I would like to say first of all that no matter what happens to this resolution or to this bill, there is no question that everyone favors a memorial to the late President Franklin Delano Roosevelt. I would also like to explain for the benefit of the House, if they do not already know it, that this Commis-

sion was most careful and most diligent in its work.

Whether or not the result is satisfactory to the House is entirely another matter. But I feel that our Chairman, Mr. Francis Biddle, who worked hard and long on this matter, gave it a great deal of time and took great pains over it, and the other members of the Commission, too, are entitled to some consideration.

I would also like to point out, Mr. Speaker, that we handed this whole matter and this decision over to the very best brains that we could get, architecturally, in this country. There was a competition, there were prizes offered, and these prizes were by no means inconsiderable.

I would like to read to you something from the report which will give a picture of how these prizes were given and determined and by whom, because this Commission did not make that determination.

The members of the jury were as follows: Pietro Belluschi, FAIA, dean of the School of Architecture and Planning, Massachusetts Institute of Technology, chairman. Thomas D. Church, landscape architect, San Francisco. Bartlett Hayes, Jr., director of the Addison Gallery of American Art, Phillips Academy. Joseph Hudnut, professor of architecture emeritus, Harvard University. Paul Marvin Rudolph, AIA, chairman of the Department of Architecture, Yale University.

These people are all tops in their field. The Commission considered itself most fortunate in obtaining their advice and their ruling.

The six prize winners in the first stage were:

Abraham W. Geller, architect, of New York City. Tasso Katselas, architect, of Pittsburgh, Rolf Myller, architect, of New York City. William F. Pedersen and Gradford S. Tilney, architects, of New York City. Sasaki-Walker-Luders Associates, of Watertown, Mass. Joseph J. Wehrer and Harold J. Borkin, architects, of Ann Arbor, Mich.

The first prize, which was given on December 29, 1960, shows Pedersen and Tilney as the winners, and the prize was $50,000. The jury made a lengthy report, some of which is in this report before you, in which they gave their reasons. The other contestants, the others that I have named, five in number, each received $10,000. This was also passed on by the famed, high-grade, well-informed jury, and they were graded according to these gentlemen's decisions.

For these reasons I do hope that the House will feel, no matter what its decision may be, that this Commission, acting in the very best interests of the Congress and of the people of the United States, were not capricious, and that we did not use our own taste or our own ideas but deferred to these people who are the outstanding architects of the United States. I hope that this resolution will pass, because I do feel that it was the finest and the best that we could obtain by modern standards.

Mr. Speaker, we must remember that in every age there are innovations, and that in every age the people of the older generations, yes, and even the younger generation, are apt to be very stereotyped and easily shocked by anything that is modern. I believe, on good authority, that Michelangelo was severely criticized for some of his work by the people of his generation.

And that is equally true for every generation. I trust the House will give this matter deep and mature thought before they vote on this resolution.

Mr. Speaker, I reserve the balance of my time.

Mr. O'NEILL. Mr. Speaker, I yield 3 minutes to the gentleman from Missouri [Mr. JONES].

(Mr. JONES of Missouri asked and was given permission to revise and extend his remarks.)

Mr. JONES of Missouri. Mr. Speaker, as chairman of the subcommittee which held the hearings on this bill, I want to make a few comments and observations.

First, in the resolution that we are now debating from the Committee on Rules, I note that the resolution would provide for the consideration of the joint resolution "to authorize and direct the Franklin Delano Roosevelt Memorial Commission to raise funds for the construction of a memorial." But that resolution is silent on the first section of the bill which says that the design of the permanent memorial to Franklin Delano Roosevelt is hereby approved by the Congress. I think I express the feelings of a number of Members and possibly a majority who are enthusiastic in their desire to create a memorial to the late President Roosevelt, and yet we are opposed to the design that has been submitted.

I think for that reason we would do well, and probably save a lot of time by defeating the rule so that a new bill can be introduced to implement what the Member of the Committee on Rules, the distinguished gentleman from Massachusetts said was his intent. However, I have read his amendment, or the proposed amendment, and that amendment does not in my opinion bring that matter back to the Congress for approval. My position is that if the Congress is going to put its stamp of approval on the design of the monument that that design should come back to this House and give us an opportunity to either approve or reject. The bill, as originally introduced, which was House Joint Resolution 712, I think was improved by committee amendments. That resolution went through our committee by a very close vote. Since that time some of those who voted to approve the resolution have changed their minds and would not want to go ahead and put their stamp of approval and give permission for the raising of these funds. As I said before, I am for the memorial. I am opposed to the design. I think the proper thing to do would be to defeat this rule and let the author of the bill, the gentleman from New York [Mr. KEOGH] introduce a new bill which would implement the amendment which is to be proposed by the gentleman from Massachusetts. I think in that way we could conserve time and accomplish the purpose that is in the minds of all of us. If we pass the resolution I believe we will be engaging in an exercise of futility and frustration, for in my opinion this bill will never clear both Houses and become law at this session of Congress.

The SPEAKER. The time of the gentleman has expired.

Mr. O'NEILL. Mr. Speaker, I am happy that the gentleman from Missouri is in agreement except for the fact that he wants the rule killed. I am in favor of the rule. As to the statement made by the gentleman from Missouri, I know he is incorrect—perhaps, the gentleman is misinformed.

Mr. JONES of Missouri. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield to the gentleman.

Mr. JONES of Missouri. Will you read the amendment that you propose to offer and then I will show you why you do not do what you say you are doing.

Mr. O'NEILL. Section 2 of my amendment provides that the commission shall report its findings and recommendations to the Congress and the President not later than June 30, 1963. That is exactly the same language that was in the original bill offered by the gentleman from New York [Mr. KEOGH], which forces the commission to make this report back to the Congress, and that is why the legislation is before us today.

Mr. JONES of Missouri. But you do not say anything about the Congress approving it after they report. I have had too many experiences here with people reporting what they are going to do and the Congress does not have anything to say about it. If you would add, "to report back for the approval of the Congress"—then you would have something that would be acceptable.

Mr. THOMPSON of New Jersey. Mr. Speaker, will the gentleman yield?

Mr. O'NEILL. I yield.

Mr. THOMPSON of New Jersey. Without trying to arbitrate the disagreement which is apparent here, upon the introduction, if we get to that point, of the gentleman from Massachusetts' [Mr. O'NEILL] amendment, I shall offer an amendment, or a substitute for it, requiring that the Congress approve the design; in other words, striking the words "with approval," which I believe are followed in the gentleman's substitute.

Mrs. ST. GEORGE. Mr. Speaker, I yield 5 minutes to the gentleman from Maryland [Mr. MATHIAS].

Mr. MATHIAS. Mr. Speaker, I do not rise in opposition to the principle of a memorial to the late President Franklin D. Roosevelt; in fact, I support the proposition for such a memorial. I think our thanks are due to the Commission which has worked so diligently, as the gentlewoman from New York has described, to attempt to produce a design and a plan for this memorial which is acceptable to the American people; and I think we should thank the architectural jury which exerted its best esthetic effort to select a design.

The design they have chosen however, is one which seems to me to lend itself more to a remote location, to an area such as Stonehenge, which is in a

Union Calendar No. 764

87TH CONGRESS
2D SESSION

H. R. 11970

[Report No. 1818]

IN THE HOUSE OF REPRESENTATIVES

JUNE 4, 1962

Mr. MILLS introduced the following bill; which was referred to the Committee on Ways and Means

JUNE 12, 1962

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Omit the part struck through and insert the part printed in italic]

A BILL

To promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—SHORT TITLE AND PURPOSES

SEC. 101. SHORT TITLE.

This Act may be cited as the "Trade Expansion Act of 1962".

SEC. 102. STATEMENT OF PURPOSES.

The purposes of this Act are, through trade agreements affording mutual benefits—

(1) to stimulate the economic growth of the United States and maintain and enlarge foreign markets for the products of United States agriculture, industry, mining, and commerce;

(2) to strengthen economic relations with foreign countries through the development of open and non-discriminatory trading in the free world;

(3) to assist in the progress of countries in the earlier stages of economic development; and

(4) to prevent Communist economic penetration.

TITLE II—TRADE AGREEMENTS

CHAPTER 1—GENERAL AUTHORITY

SEC. 201. BASIC AUTHORITY FOR TRADE AGREEMENTS.

(a) Whenever the President determines that any existing duties or other import restrictions of any foreign country or the United States are unduly burdening and restricting the foreign trade of the United States and that any of the purposes stated in section 102 will be promoted thereby, the President may—

(1) after June 30, 1962, and before July 1, 1967, enter into trade agreements with foreign countries or instrumentalities thereof; and

(2) proclaim such modification or continuance of any existing duty or other import restriction, such continuance of existing duty-free or excise treatment, or such additional import restrictions, as he determines to be required or appropriate to carry out any such trade agreement.

(b) Except as otherwise provided in this title, no proclamation pursuant to subsection (a) shall be made—

(1) decreasing any rate of duty to a rate below 50 percent of the rate existing on July 1, 1962; or

(2) increasing any rate of duty to (or imposing) a rate more than 50 percent above the rate existing on July 1, 1934.

SEC. 202. LOW-RATE ARTICLES.

Section 201 (b) (1) shall not apply in the case of any article for which the rate of duty existing on July 1, 1962, is not more than 5 percent ad valorem (or ad valorem equivalent). In the case of an article subject to more than one rate of duty, the preceding sentence shall be applied by taking into account the aggregate of such rates.

CHAPTER 2—SPECIAL PROVISIONS CONCERNING EUROPEAN ECONOMIC COMMUNITY

SEC. 211. IN GENERAL.

(a) In the case of any trade agreement with the European Economic Community, section 201 (b) (1) shall not

apply to articles in any category if, before entering into such trade agreement, the President determines with respect to such category that the United States and all countries of the European Economic Community together accounted for 80 percent or more of the aggregated world export value of all the articles in such category.

(b) For purposes of subsection (a)—

(1) As soon as practicable after the date of the enactment of this Act, the President shall—

(A) after taking into account the availability of trade statistics, select a system of comprehensive classification of articles by category, and

(B) make public his selection of such system.

(2) As soon as practicable after the President has selected a system pursuant to paragraph (1), the Tariff Commission shall—

(A) determine the articles falling within each category of such system, and

(B) make public its determinations.

The determination of the Tariff Commission as to the articles included in any category may be modified only by the Tariff Commission. Such modification by the Tariff Commission may be made only for the purpose of correction, and may be made only before the date on which the first list of articles specifying this section is

furnished by the President to the Tariff Commission pursuant to section 221.

(c) For the purpose of making a determination under subsection (a) with respect to any category—

(1) The determination of the countries of the European Economic Community shall be made as of the date of the request under subsection (d).

(2) The President shall determine "aggregated world export value" with respect to any category of articles—

(A) on the basis of a period which he determines to be representative for such category, which period shall be included in the most recent 5-year period before the date of the request under subsection (d) for which statistics are available and shall contain at least 2 one-year periods,

(B) on the basis of the dollar value of exports as shown by trade statistics in use by the Department of Commerce, and

(C) by excluding exports—

(i) from any country of the European Economic Community to another such country, and

(ii) to or from any country or area which, at any time during the representative period, was denied trade agreement benefits under

section 231 or under section 5 of the Trade Agreements Extension Act of 1951.

(d) Before the President makes a determination under subsection (a) with respect to any category, the Tariff Commission shall (upon request of the President) make findings as to—

(1) the representative period for such category,

(2) the aggregated world export value of the articles falling within such category, and

(3) the percentage of the aggregated world export value of such articles accounted for by the United States and the countries of the European Economic Community,

and shall advise the President of such findings.

(e) The exception to section 201 (b) (1) provided by subsection (a) shall not apply to any article referred to in Agricultural Handbook No. 143, United States Department of Agriculture, as issued in September 1959.

SEC. 212. AGRICULTURAL COMMODITIES.

In the case of any trade agreement with the European Economic Community, section 201 (b) (1) shall not apply to any article referred to in Agricultural Handbook No. 143, United States Department of Agriculture, as issued in September 1959, if before entering into such agreement the President determines that such agreement will tend to assure

the maintenance or expansion of United States exports of the like article.

SEC. 213. TROPICAL AGRICULTURAL AND FORESTRY COMMODITIES.

(a) Section 201 (b) (1) shall not apply to any article if, before entering into the trade agreement covering such article, the President determines that—

(1) such article is a tropical agricultural or forestry commodity;

(2) the like article is not produced in significant quantities in the United States; and

(3) the European Economic Community has made a commitment with respect to duties or other import restrictions which is likely to assure access for such article to the markets of the European Economic Community which—

(A) is comparable to the access which such article will have to the markets of the United States, and

(B) will be afforded substantially without differential treatment as among free world countries of origin.

(b) For purposes of subsection (a), a "tropical agricultural or forestry commodity" is an agricultural or forestry commodity with respect to which the President determines

that more than one-half of the world production is in the area of the world between 20 degrees north latitude and 20 degrees south latitude.

(c) Before the President makes a determination under subsection (a) with respect to any article, the Tariff Commission shall (upon request of the President) make findings as to—

(1) whether or not such article is an agricultural or forestry commodity more than one-half of the world production of which is in the area of the world between 20 degrees north latitude and 20 degrees south latitude, and

(2) whether or not the like article is produced in significant quantities in the United States,

and shall advise the President of such findings.

CHAPTER 3—REQUIREMENTS CONCERNING NEGOTIATIONS

SEC. 221. TARIFF COMMISSION ADVICE.

(a) In connection with any proposed trade agreement under this title, the President shall from time to time publish and furnish the Tariff Commission with lists of articles which may be considered for modification or continuance of United States duties or other import restrictions, or continuance of United States duty-free or excise treatment. In the case of any article with respect to which consideration

may be given to reducing the rate of duty below the 50 percent limitation contained in section 201(b)(1), the list shall specify the section or sections of this title pursuant to which such consideration may be given.

(b) Within 6 months after receipt of such a list, the Tariff Commission shall advise the President with respect to each article of its judgment as to the probable economic effect of modifications of duties or other import restrictions on industries producing like or directly competitive articles. In the course of preparing such advice, the Tariff Commission shall, after reasonable notice, hold public hearings.

SEC. 222. ADVICE FROM DEPARTMENTS.

Before any trade agreement is entered into under this title, the President shall seek information and advice with respect to such agreement from the Departments of Agriculture, Commerce, Defense, Interior, Labor, ~~State~~ *State*, and Treasury, and from such other sources as he may deem appropriate.

SEC. 223. PUBLIC HEARINGS.

In connection with any proposed trade agreement under this title, the President shall afford an opportunity for any interested person to present his views concerning any article on a list published pursuant to section 221, any article which should be so listed, any concession which should be

sought by the United States, or any other matter relevant to such proposed trade agreement. For this purpose, the President shall designate an agency or an interagency committee which shall, after reasonable notice, hold public hearings, shall prescribe regulations governing the conduct of such hearings, and shall furnish the President with a summary of such hearings.

SEC. 224. PREREQUISITE FOR OFFERS.

The President may make an offer for the modification or continuance of any duty or other import restriction, or continuance of duty-free or excise treatment, with respect to any article only after he has received advice concerning such article from the Tariff Commission under section 221 (b), or after the expiration of the relevant 6-month period provided for in that section, whichever first occurs, and only after the President has received a summary of the hearings at which an opportunity to be heard with respect to such article has been afforded under section 223.

SEC. 225. RESERVATION OF ARTICLES FROM NEGOTIATIONS.

(a) While there is in effect with respect to any article any action taken under—

(1) section 232 or 351,

(2) section 2 (b) of the Act entitled "An Act to extend the authority of the President to enter into trade

agreements under section 350 of the Tariff Act of 1930, as amended", approved July 1, 1954 (19 U.S.C., sec. 1352a), or

(3) section 7 of the Trade Agreements Extension Act of 1951 (19 U.S.C., sec. 1364),

the President shall reserve such article from negotiations under this title for the reduction of any duty or other import restriction or the elimination of any duty.

(b) During the 4-year period which begins on the date of the enactment of this Act, the President shall reserve an article (other than an article which, on the date of the enactment of this Act, was described in subsection (a) (3)) from negotiation under this title for the reduction of any duty or other import restriction or the elimination of any duty where—

(1) pursuant to section 7 of the Trade Agreements Extension Act of 1951 (or pursuant to a comparable Executive Order), the Tariff Commission found by a majority of the Commissioners voting that such article was being imported in such increased quantities as to cause or threaten serious injury to an industry,

(2) such article is included in a list furnished to the Tariff Commission pursuant to section 221 (and has not been included in a prior list so furnished), and

(3) upon request on behalf of the industry, made

not later than 60 days after the date of the publication of such list, the Tariff Commission finds and advises the President that economic conditions in such industry have not substantially improved since the date of the report of the finding referred to in paragraph (1).

(c) In addition to the articles described by subsections (a) and (b), the President shall also so reserve any other article which he determines to be appropriate, taking into consideration the advice of the Tariff Commission under section 221 (b), any advice furnished to him under section 222, and the summary furnished to him under section 223.

SEC. 226. TRANSMISSION OF AGREEMENTS TO CONGRESS.

The President shall transmit promptly to each House of Congress a copy of each trade agreement entered into under this title, together with a statement, in the light of the advice of the Tariff Commission under section 221 (b) and of other relevant considerations, of his reasons for entering into the agreement.

CHAPTER 4—NATIONAL SECURITY

SEC. 231. PRODUCTS OF COMMUNIST COUNTRIES OR AREAS.

The President shall, as soon as practicable, suspend, withdraw, or prevent the application of the reduction, elimination, or continuance of any existing duty or other import restriction, or the continuance of any existing duty-free or

excise treatment, proclaimed in carrying out any trade agreement under this title or under section 350 of the Tariff Act of 1930, to products, whether imported directly or indirectly, of any country or area dominated or controlled by Communism.

SEC. 232. SAFEGUARDING NATIONAL SECURITY.

(a) No action shall be taken pursuant to section 201 (a) or pursuant to section 350 of the Tariff Act of 1930 to decrease or eliminate the duty or other import restriction on any article if the President determines that such reduction or elimination would threaten to impair the national security.

(b) Upon request of the head of any department or agency, upon application of an interested party, or upon his own motion, the Director of the Office of Emergency Planning (hereinafter in this section referred to as the "Director") shall immediately make an appropriate investigation, in the course of which he shall seek information and advice from other appropriate departments and agencies, to determine the effects on the national security of imports of the article which is the subject of such request, application, or motion. If, as a result of such investigation, the Director is of the opinion that the said article is being imported into the United States in such quantities or under such circumstances as to threaten to impair the national security, he shall promptly so advise the President, and,

unless the President determines that the article is not being imported into the United States in such quantities or under such circumstances as to threaten to impair the national security as set forth in this section, he shall take such action, and for such time, as he deems necessary to adjust the imports of such article and its derivatives so that such imports will not so threaten to impair the national security.

(c) For the purposes of this section, the Director and the President shall, in the light of the requirements of national security and without excluding other relevant factors, give consideration to domestic production needed for projected national defense requirements, the capacity of domestic industries to meet such requirements, existing and anticipated availabilities of the human resources, products, raw materials, and other supplies and services essential to the national defense, the requirements of growth of such industries and such supplies and services including the investment, exploration, and development necessary to assure such growth, and the importation of goods in terms of their quantities, availabilities, character, and use as those affect such industries and the capacity of the United States to meet national security requirements. In the administration of this section, the Director and the President shall further recognize the close relation of the economic welfare of the Nation to our national security, and shall take into consideration the

impact of foreign competition on the economic welfare of individual domestic industries; and any substantial unemployment, decrease in revenues of government, loss of skills or investment, or other serious effects resulting from the displacement of any domestic products by excessive imports shall be considered, without excluding other factors, in determining whether such weakening of our internal economy may impair the national security.

(d) A report shall be made and published upon the disposition of each request, application, or motion under subsection (b). The Director shall publish procedural regulations to give effect to the authority conferred on him by subsection (b).

CHAPTER 5—ADMINISTRATIVE PROVISIONS

SEC. 241. SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS.

(a) The President shall appoint, by and with the advice and consent of the Senate, a Special Representative for Trade Negotiations, who shall be the chief representative of the United States for each negotiation under this title and for such other negotiations as in the President's judgment require that the Special Representative be the chief representative of the United States. The Special Representative for Trade Negotiations shall hold office at the pleasure of the President, shall be entitled to receive the same compensation and allow-

ances as a chief of mission, shall have the rank of ambassador extraordinary and plenipotentiary, and shall be an ex-officio member of the organization established pursuant to section 242(a).

(b) The Special Representative for Trade Negotiations shall, in the performance of his functions under subsection (a), seek information and advice with respect to each negotiation from representatives of industry, agriculture, and labor, and from such agencies of the United States as he deems appropriate.

SEC. 242. INTERAGENCY TRADE ORGANIZATION.

(a) The President shall establish an interagency organization to assist him in carrying out the functions vested in him by this title and chapter 4 of title III. Such organization shall have as its chairman a Cabinet officer selected by the President, and shall be composed of the heads of such departments and of such other officers as the President shall designate. It shall meet periodically at such times and with respect to such matters as the President or the chairman of the organization shall direct. The organization may invite the participation in its activities of any agency not represented in the organization when matters of interest to such agency are under consideration.

(b) In assisting the President, the organization shall—

(1) make recommendations to the President on

basic policy issues arising in the administration of the trade agreements program,

(2) make recommendations to the President as to what action, if any, he should take on reports with respect to tariff adjustment submitted to him by the Tariff Commission under section 301 (e),

(3) advise the President of the results of hearings concerning unjustifiable foreign import restrictions held pursuant to section 252 (c), and recommend appropriate action with respect thereto, and

(4) perform such other functions with respect to the trade agreements program as the President may from time to time designate.

(c) The organization shall, to the maximum extent practicable, draw upon the resources of the agencies represented in the organization, as well as such other agencies as it may determine, including the Tariff Commission. In addition, the President may establish by regulation such procedures and committees as he may determine to be necessary to enable the organization to provide for the conduct of hearings pursuant to section 252 (c), and for the carrying out of other functions assigned to the organization pursuant to this section.

SEC. 243. CONGRESSIONAL DELEGATES TO NEGOTIATIONS.

Before each negotiation under this title, the President shall, upon the recommendation of the Speaker of the House of Representatives, select two members (not of the same political party) of the Committee on Ways and Means, and shall, upon the recommendation of the President of the Senate, select two members (not of the same political party) of the Committee on Finance, who shall be accredited as members of the United States delegation to such negotiation.

CHAPTER 6—GENERAL PROVISIONS

SEC. 251. MOST-FAVORED-NATION PRINCIPLE.

Except as otherwise provided in this title, any duty or other import restriction or duty-free treatment proclaimed in carrying out any trade agreement under this title or section 350 of the Tariff Act of 1930 shall apply to products of all foreign countries, whether imported directly or indirectly.

SEC. 252. FOREIGN IMPORT RESTRICTIONS.

(a) Whenever unjustifiable foreign import restrictions impair the value of tariff commitments made to the United States, oppress the commerce of the United States, or prevent the expansion of trade on a mutually advantageous basis, the President shall—

(1) take all appropriate and feasible steps within his power to eliminate such restrictions, and

(2) refrain from negotiating the reduction or elimination of any United States import restriction under section 201 (a) in order to obtain the reduction or elimination of any such restrictions.

(b) Whenever a foreign country or instrumentality the products of which receive benefits of trade agreement concessions made by the United States—

(1) maintains nontariff trade restrictions, including unlimited variable import fees, which substantially burden United States commerce in a manner inconsistent with provisions of trade agreements, or

(2) engages in discriminatory or other acts (including tolerance of international cartels) or policies unjustifiably restricting United States commerce,

the President shall, to the extent that such action is consistent with the purposes of section 102—

(A) suspend, withdraw, or prevent the application of benefits of trade agreements concessions to products of such country or instrumentality, or

(B) refrain from proclaiming benefits of trade agreement concessions to carry out a trade agreement with such country or instrumentality.

(c) The President shall provide an opportunity for the presentation of views concerning unjustifiable foreign import restrictions maintained against United States commerce. Upon request by any interested person, the President shall, through the organization established pursuant to section 242 (a), provide for appropriate public hearings with respect to such restrictions after reasonable notice and provide for the issuance of regulations concerning the conduct of such hearings.

SEC. 253. STAGING REQUIREMENTS.

(a) Except as otherwise provided in this section and in section 254, the aggregate reduction in the rate of duty on any article which is in effect on any day pursuant to a trade agreement under this title shall not exceed the aggregate reduction which would have been in effect on such day if—

(1) one-fifth of the total reduction under such agreement for such article had taken effect on the date of the first proclamation pursuant to section 201 (a) to carry out such trade agreement, and

(2) the remaining four-fifths of such total reduction had taken effect in four equal installments at 1-year intervals after the date referred to in paragraph (1).

(b) Subsection (a) shall not apply to any article with respect to which the President has made a determination under section 213 (a).

(c) In the case of an article the rate of duty on which has been or is to be reduced pursuant to a prior trade agreement, no reduction shall take effect pursuant to a trade agreement entered into under section 201 (a) before the expiration of 1 year after the taking effect of the final reduction pursuant to such prior agreement.

(d) If any part of a reduction takes effect, then any time thereafter during which such part of the reduction is not in effect by reason of legislation of the United States or action thereunder shall be excluded in determining—

(1) the 1-year intervals referred to in subsection (a) (2), and

(2) the expiration of the 1 year referred to in subsection (c).

SEC. 254. ROUNDING AUTHORITY.

If the President determines that such action will simplify the computation of the amount of duty imposed with respect to an article, he may exceed the limitation provided by section 201 (b) (1) or 253 by not more than whichever of the following is lesser:

(1) the difference between the limitation and the next lower whole number, or

(2) one-half of 1 percent ad valorem or an amount the ad valorem equivalent of which is one-half of 1 percent.

SEC. 255. TERMINATION.

(a) Every trade agreement entered into under this title shall be subject to termination or withdrawal, upon due notice, at the end of a period specified in the agreement. Such period shall be not more than 3 years from the date on which the agreement becomes effective. If the agreement is not terminated or withdrawn from at the end of the period so specified, it shall be subject to termination or withdrawal thereafter upon not more than 6 months' notice.

(b) The President may at any time terminate, in whole or in part, any proclamation made under this title.

SEC. 256. DEFINITIONS.

For purposes of this title—

(1) The term "European Economic Community" means the instrumentality known by such name or any successor thereto.

(2) The countries of the European Economic Community as of any date shall be those countries which on such date are agreed to achieve a common external tariff through the European Economic Community.

(3) The term "agreement with the European Economic Community" means an agreement to which the United States and all countries of the European Economic Community (determined as of the date such agreement is entered into) are parties. For purposes of

the preceding sentence, each country for which the European Economic Community signs an agreement shall be treated as a party to such agreement.

(4) The term "existing on July 1, 1962", as applied to a rate of duty, refers to the lowest nonpreferential rate of duty (however established, and even though temporarily suspended by Act of Congress or otherwise) existing on such date or (if lower) the lowest nonpreferential rate to which the United States is committed on such date and which may be proclaimed under section 350 of the Tariff Act of 1930.

(5) The term "existing on July 1, 1934", as applied to a rate of duty, refers to the rate of duty (however established, and even though temporarily suspended by Act of Congress or otherwise) existing on such date.

(6) The term "existing" without the specification of any date, when used with respect to any matter relating to entering into, or any proclamation to carry out, a trade agreement, means existing on the day on which such trade agreement is entered into.

(7) The term "ad valorem equivalent" means the ad valorem equivalent of a specific rate or, in the case of a combination of rates including a specific rate, the sum of the ad valorem equivalent of the specific rate

and of the ad valorem rate. The ad valorem equivalent shall be determined by the President on the basis of the value of imports of the article concerned during a period determined by him to be representative. In determining the value of imports, the President shall utilize, to the maximum extent practicable, the standards of valuation contained in section 402 or 402a of the Tariff Act of 1930 (19 U.S.C., sec. 1401a or 1402) applicable to the article concerned during such representative period.

SEC. 257. RELATION TO OTHER LAWS.

(a) The first sentence of subsection (b) of section 350 of the Tariff Act of 1930 is amended by striking out "this section" each place it appears and inserting in lieu thereof "this section or the Trade Expansion Act of 1962". The second sentence of such subsection (b) is amended by striking out "this Act" and inserting in lieu thereof "this Act or the Trade Expansion Act of 1962". The third sentence of such subsection (b) is amended by striking out "1955," in paragraph (2) and inserting in lieu thereof "1955, and before July 1, 1962," and by adding at the end thereof the following new paragraph:

"(3) In order to carry out a foreign trade agreement entered into after June 30, 1962, and before July 1, 1967, below the lowest rate permissible by applying title II of the Trade Expansion Act of 1962

to the rate of duty (however established, and even though temporarily suspended by Act of Congress or otherwise) existing on July 1, 1962, with respect to such product."

(b) Subsections (a) (5) and (e) of section 350 of the Tariff Act of 1930 are repealed.

(c) For purposes only of entering into trade agreements pursuant to the notices of intention to negotiate published in the Federal Register of May 28, 1960, and the Federal Register of November 23, 1960, the period during which the President is authorized to enter into foreign trade agreements under section 350 of the Tariff Act of 1930 is hereby extended from the close of June 30, 1962, until the close of December 31, 1962.

(d) The second and third sentences of section 2 (a) of the Act entitled "An Act to amend the Tariff Act of 1930", approved June 12, 1934, as amended (19 U.S.C., sec. 1352 (a)), are each amended by striking out "this Act" and inserting in lieu thereof "this Act or the Trade Expansion Act of 1962".

(e) (1) Sections 5, 6, 7, and 8 (a) of the Trade Agreements Extension Act of 1951 are repealed.

(2) Action taken by the President under section 5 of such Act and in effect on the date of the enactment of this

Act shall be considered as having been taken by the President under section 231.

(3) Any investigation by the Tariff Commission under section 7 of such Act which is in progress on the date of the enactment of this Act shall be continued under section 301 as if the application by the interested party were a petition under such section for tariff adjustment under section 351. For purposes of section 301 (f), such petition shall be treated as having been filed on the date of the enactment of this Act.

(f) Section 2 of the Act entitled "An Act to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended", approved July 1, 1954, is repealed. Any action (including any investigation begun) under such section 2 before the date of the enactment of this Act shall be considered as having been taken or begun under section 232.

TITLE III—TARIFF ADJUSTMENT AND OTHER ADJUSTMENT ASSISTANCE

CHAPTER 1—ELIGIBILITY FOR ASSISTANCE

SEC. 301. TARIFF COMMISSION INVESTIGATIONS AND REPORTS.

(a) (1) Petitions for tariff adjustment under section 351 or for determinations of eligibility to apply for adjustment

assistance under chapter 2 or 3 may be filed with the Tariff Commission by firms, groups of workers, or industries. In the case of a firm, such petition may be filed by the firm or its representative. In the case of a group of workers, such petition may be filed by the workers or by their certified or recognized union or other duly authorized representative. In the case of an industry, such petition may be filed by a trade association, firm, certified or recognized union, or other representative.

(2) Whenever a petition is filed under this subsection, the Tariff Commission shall transmit a copy thereof to the Secretary of Commerce.

(b) (1) Upon the request of the President, upon resolution of either the Committee on Finance of the Senate or the Committee on Ways and Means of the House of Representatives, upon its own motion, or upon the filing of a petition under subsection (a) (1), the Tariff Commission shall promptly make an investigation to determine whether, as a result of concessions granted under trade agreements, an article is being imported into the United States in such increased quantities as to cause, or threaten to cause, serious injury to the domestic industry producing an article which is like or directly competitive with the imported article.

(2) In making its determination under paragraph (1), the Tariff Commission shall take into account all economic

factors which it considers relevant, including idling of productive facilities, inability to operate at a profit, and unemployment or underemployment.

(3) No investigation for the purpose of paragraph (1) shall be made, upon petition filed under subsection (a) (1), with respect to the same subject matter as a previous investigation under paragraph (1), unless one year has elapsed since the Tariff Commission made its report to the President of the results of such previous investigation.

(c) (1) In the case of a petition by a firm for a determination of eligibility to apply for adjustment assistance under chapter 2, the Tariff Commission shall, in addition to making an industry determination under subsection (b), determine whether, as a result of concessions granted under trade agreements, an article like or directly competitive with an article produced by the firm is being imported into the United States in such increased quantities as to cause, or threaten to cause, serious injury to such firm. In making its determination under this paragraph, the Tariff Commission shall take into account all economic factors which it considers relevant, including idling of productive facilities of the firm, inability of the firm to operate at a profit, and unemployment or underemployment in the firm.

(2) In the case of a petition by a group of workers for a determination of eligibility to apply for adjustment assist-

ance under chapter 3, the Tariff Commission shall, in addition to making an industry determination under subsection (b), determine whether, as a result of concessions granted under trade agreements, an article like or directly competitive with an article produced by such workers' firm, or an appropriate subdivision thereof, is being imported into the United States in such increased quantities as to cause, or threaten to cause, unemployment or underemployment of a significant number or proportion of the workers of such firm or subdivision.

(3) The Tariff Commission may provide that, during a period beginning not earlier than 30 days after the publication of notice of hearings with respect to an industry and ending not later than the date of the report of the Tariff Commission with respect thereto under subsection (f) (2), no petition may be filed under subsection (a) (1) by a firm or group of workers in such industry with respect to the same imported article and the same domestic article.

(d) In the course of any investigation under this section, the Tariff Commission shall, after reasonable notice, hold public hearings and shall afford interested parties opportunity to be present, to produce evidence, and to be heard at such hearings.

(e) Should the Tariff Commission find with respect to any article, as the result of its investigation, the serious injury or threat thereof described in subsection (b), it shall

find the amount of the increase in, or imposition of, any duty or other import restriction on such article which is necessary to prevent or remedy such injury and shall include such finding in its report to the President.

(f) (1) The Tariff Commission shall report to the President the results of each investigation under this section and include in each report any dissenting or separate views. The Tariff Commission shall furnish to the President a transcript of the hearings and any briefs which may have been submitted in connection with each investigation.

(2) The report of the Tariff Commission of its determination under subsection (b) shall be made at the earliest practicable time, but not later than 120 days after the date on which the petition is filed (or the date on which the request or resolution is received or the motion is adopted, as the case may be), unless the President extends such time for an additional period, which shall not exceed 30 days. Upon making such report to the President, the Tariff Commission shall promptly make public such report, and shall cause a summary thereof to be published in the Federal Register.

(3) The report of the Tariff Commission of its determination under subsection (c) (1) or (c) (2) with respect to any firm or group of workers shall be made at the earliest

practicable time, but not later than 60 days after the date on which the petition is filed.

SEC. 302. PRESIDENTIAL ACTION AFTER TARIFF COMMISSION DETERMINATION.

(a) After receiving a report from the Tariff Commission containing an affirmative finding under section 301 (b) with respect to any industry, the President may—

(1) provide tariff adjustment for such industry pursuant to section 351,

(2) provide, with respect to such industry, that its firms may request the Secretary of Commerce for certifications of eligibility to apply for adjustment assistance under chapter 2,

(3) provide, with respect to such industry, that its workers may request the Secretary of Labor for certifications of eligibility to apply for adjustment assistance under chapter 3, or

(4) take any combination of such actions.

(b) (1) The Secretary of Commerce shall certify, as eligible to apply for adjustment assistance under chapter 2, any firm in an industry with respect to which the President has acted under subsection (a) (2), upon a showing by such firm to the satisfaction of the Secretary of Commerce that the increased imports (which the Tariff Commission has

determined to result from concessions granted under trade agreements) have caused serious injury or threat thereof to such firm.

(2) The Secretary of Labor shall certify, as eligible to apply for adjustment assistance under chapter 3, any group of workers in an industry with respect to which the President has acted under subsection (a) (3), upon a showing by such group of workers to the satisfaction of the Secretary of Labor that the increased imports (which the Tariff Commission has determined to result from concessions granted under trade agreements) have caused or threatened to cause unemployment or underemployment of a significant number or proportion of workers of such workers' firm or subdivision thereof.

(c) After receiving a report from the Tariff Commission containing an affirmative finding under section 301 (c) with respect to any firm or group of workers, the President may certify that such firm or group of workers is eligible to apply for adjustment assistance.

(d) Any certification under subsection (b) or (c) that a group of workers is eligible to apply for adjustment assistance shall specify the date on which the unemployment or underemployment began or threatens to begin.

(e) Whenever the President determines, with respect to any certification of the eligibility of a group of workers,

that separations from the firm or subdivision thereof are no longer attributable to the conditions specified in section 301 (c) (2) or in subsection (b) (2) of this section, he shall terminate the effect of such certification. Such termination shall apply only with respect to separations occurring after the termination date specified by the President.

CHAPTER 2—ASSISTANCE TO FIRMS

SEC. 311. CERTIFICATION OF ADJUSTMENT PROPOSALS.

(a) A firm certified under section 302 as eligible to apply for adjustment assistance may, at any time within 2 years after the date of such certification, file an application with the Secretary of Commerce for adjustment assistance under this chapter. Within a reasonable time after filing its application, the firm shall present a proposal for its economic adjustment.

(b) Adjustment assistance under this chapter consists of technical assistance, financial assistance, and tax assistance, which may be furnished singly or in combination. Except as provided in subsection (c), no adjustment assistance shall be provided to a firm under this chapter until its adjustment proposal shall have been certified by the Secretary of Commerce—

(1) to be reasonably calculated materially to contribute to the economic adjustment of the firm,

(2) to give adequate consideration to the interests of the workers of such firm adversely affected by actions taken in carrying out trade agreements, and

(3) to demonstrate that the firm will make all reasonable efforts to use its own resources for economic development.

(c) In order to assist a firm which has applied for adjustment assistance under this chapter in preparing a sound adjustment proposal, the Secretary of Commerce may furnish technical assistance to such firm prior to certification of its adjustment proposal.

(d) Any certification made pursuant to this section shall remain in force only for such period as the Secretary of Commerce may prescribe.

SEC. 312. USE OF EXISTING AGENCIES.

(a) The Secretary of Commerce shall refer each certified adjustment proposal to such agency or agencies as he determines to be appropriate to furnish the technical and financial assistance necessary to carry out such proposal.

(b) Upon receipt of a certified adjustment proposal, each agency concerned shall promptly—

(1) examine the aspects of the proposal relevant to its functions, and

(2) notify the Secretary of Commerce of its determination as to the technical and financial assistance it is prepared to furnish to carry out the proposal.

(c) Whenever and to the extent that any agency to which an adjustment proposal has been referred notifies the Secretary of Commerce of its determination not to furnish technical or financial assistance, and if the Secretary of Commerce determines that such assistance is necessary to carry out the adjustment proposal, he may furnish adjustment assistance under sections 313 and 314 to the firm concerned.

(d) There are hereby authorized to be appropriated to the Secretary of Commerce such sums as may be necessary from time to time to carry out his functions under this chapter in connection with furnishing adjustment assistance to firms, which sums are authorized to be appropriated to remain available until expended.

SEC. 313. TECHNICAL ASSISTANCE.

(a) Upon compliance with section 312(c), the Secretary of Commerce may provide to a firm, on such terms and conditions as he determines to be appropriate, such technical assistance as in his judgment will materially contribute to the economic adjustment of the firm.

(b) To the maximum extent practicable, the Secretary

of Commerce shall furnish technical assistance under this section and section 311(c) through existing agencies, and otherwise through private individuals, firms, or institutions.

(c) The Secretary of Commerce shall require a firm receiving technical assistance under this section or section 311(c) to share the cost thereof to the extent he determines to be appropriate.

SEC. 314. FINANCIAL ASSISTANCE.

(a) Upon compliance with section 312(c), the Secretary of Commerce may provide to a firm, on such terms and conditions as he determines to be appropriate, such financial assistance in the form of guarantees of loans, agreements for deferred participations in loans, or loans, as in his judgment will materially contribute to the economic adjustment of the firm. The assumption of an outstanding indebtedness of the firm, with or without recourse, shall be considered to be the making of a loan for purposes of this section.

(b) Guarantees, agreements for deferred participations, or loans shall be made under this section only for the purpose of making funds available to the firm—

(1) for acquisition, construction, installation, modernization, development, conversion, or expansion of land, plant, buildings, equipment, facilities, or machinery, or

(2) in cases determined by the Secretary of Commerce to be exceptional, to supply working capital.

(c) To the maximum extent practicable, the Secretary of Commerce shall furnish financial assistance under this section through agencies furnishing financial assistance under other law.

SEC. 315. CONDITIONS FOR FINANCIAL ASSISTANCE.

(a) No loan shall be guaranteed and no agreement for deferred participation in a loan shall be made by the Secretary of Commerce in an amount which exceeds 90 percent of that portion of the loan made for purposes specified in section 314(b).

(b) (1) Any loan made or deferred participation taken up by the Secretary of Commerce shall bear interest at a rate not less than the greater of—

(A) 4 percent per annum, or

(B) a rate determined by the Secretary of the Treasury for the year in which the loan is made or the agreement for such deferred participation is entered into.

(2) The Secretary of the Treasury shall determine annually the rate referred to in paragraph (1)(B), taking into consideration the current average market yields on outstanding interest-bearing marketable public debt obligations

of the United States of maturities comparable to those of the loans outstanding under section 314.

(c) Guarantees or agreements for deferred participation shall be made by the Secretary of Commerce only with respect to loans bearing interest at a rate which he determines to be reasonable. In no event shall the guaranteed portion of any loan, or the portion covered by an agreement for deferred participation, bear interest at a rate more than 1 percent per annum above the rate prescribed by subsection (b) (determined when the guarantee is made or the agreement is entered into), unless the Secretary of Commerce shall determine that special circumstances justify a higher rate, in which case such portion of the loan shall bear interest at a rate not more than 2 percent per annum above such prescribed rate.

(d) The Secretary of Commerce shall make no loan or guarantee having a maturity in excess of 25 years, including renewals and extensions, and shall make no agreement for deferred participation in a loan which has a maturity in excess of 25 years, including renewals and extensions. Such limitation on maturities shall not, however, apply to—

(1) securities or obligations received by the Secretary of Commerce as claimant in bankruptcy or equitable reorganization, or as creditor in other proceedings attendant upon insolvency of the obligor, or

(2) an extension or renewal for an additional period not exceeding 10 years, if the Secretary of Commerce determines that such extension or renewal is reasonably necessary for the orderly liquidation of the loan.

(e) No financial assistance shall be provided under section 314 unless the Secretary of Commerce determines that such assistance is not otherwise available to the firm, from sources other than the United States, on reasonable terms, and that there is reasonable assurance of repayment by the borrower.

(f) The Secretary of Commerce shall maintain operating reserves with respect to anticipated claims under guarantees and under agreements for deferred participation made under section 314. Such reserves shall be considered to constitute obligations for purposes of section 1311 of the Supplemental Appropriation Act, 1955 (31 U.S.C., sec. 200).

SEC. 316. ADMINISTRATION OF FINANCIAL ASSISTANCE.

(a) In making and administering guarantees, agreements for deferred participation, and loans under section 314, the Secretary of Commerce may—

(1) require security for any such guarantee, agreement, or loan, and enforce, waive, or subordinate such security;

(2) assign or sell at public or private sale, or otherwise dispose of, upon such terms and conditions and for such consideration as he shall determine to be reasonable, any evidence of debt, contract, claim, personal property, or security assigned to or held by him in connection with such guarantees, agreements, or loans, and collect, compromise, and obtain deficiency judgments with respect to all obligations assigned to or held by him in connection with such guarantees, agreements, or loans until such time as such obligations may be referred to the Attorney General for suit or collection;

(3) renovate, improve, modernize, complete, insure, rent, sell, or otherwise deal with, upon such terms and conditions and for such consideration as he shall determine to be reasonable, any real or personal property conveyed to or otherwise acquired by him in connection with such guarantees, agreements, or loans;

(4) acquire, hold, transfer, release, or convey any real or personal property or any interest therein whenever deemed necessary or appropriate, and execute all legal documents for such purposes; and

(5) exercise all such other powers and take all such other acts as may be necessary or incidental to the carrying out of functions pursuant to section 314.

(b) Any mortgage acquired as security under subsection (a) shall be recorded under applicable State law.

SEC. 317. TAX ASSISTANCE.

(a) If—

(1) to carry out an adjustment proposal of a firm certified pursuant to section 311, such firm applies for tax assistance under this section within 24 months after the close of a taxable year and alleges in such application that it has sustained a net operating loss for such taxable year,

(2) the Secretary of Commerce determines that any such alleged loss for such taxable year arose predominantly out of the carrying on of a trade or business which was seriously injured, during such year, by the increased imports which the Tariff Commission has determined to result from concessions granted under trade agreements, and

(3) the Secretary of Commerce determines that tax assistance under this section will materially contribute to the economic adjustment of the firm,

then the Secretary of Commerce shall certify such determinations with respect to such firm for such taxable year. No determination or certification under this subsection shall consti-

tute a determination of the existence or amount of any net operating loss for purposes of section 172 of the Internal Revenue Code of 1954.

(b) Subsection (b) of section 172 of the Internal Revenue Code of 1954 (relating to net operating loss carrybacks and carryovers) is amended to read as follows:

"(b) NET OPERATING LOSS CARRYBACKS AND CARRYOVERS.—

"(1) YEARS TO WHICH LOSS MAY BE CARRIED.—A net operating loss for any taxable year ending after December 31, 1957, shall be—

"(A) except as provided in subparagraph (B), a net operating loss carryback to each of the 3 taxable years preceding the taxable year of such loss,

"(B) in the case of a taxpayer with respect to a taxable year ending on or after December 31, 1962, for which a certification has been issued under section 317 of the Trade Expansion Act of 1962, a net operating loss carryback to each of the 5 taxable years preceding the taxable year of such loss, and

"(C) a net operating loss carryover to each of the 5 taxable years following the taxable year of such loss.

"(2) AMOUNT OF CARRYBACKS AND CARRYOVERS.—Except as provided in subsection (i), the en-

tire amount of the net operating loss for any taxable year (hereinafter in this section referred to as the 'loss year') shall be carried to the earliest of the taxable years to which (by reason of paragraph (1)) such loss may be carried. The portion of such loss which shall be carried to each of the other taxable years shall be the excess, if any, of the amount of such loss over the sum of the taxable income for each of the prior taxable years to which such loss may be carried. For purposes of the preceding sentence, the taxable income for any such prior taxable year shall be computed—

"(A) with the modifications specified in subsection (d) other than paragraphs (1), (4), and (6) thereof; and

"(B) by determining the amount of the net operating loss deduction without regard to the net operating loss for the loss year or for any taxable year thereafter,

and the taxable income so computed shall not be considered to be less than zero.

"(3) SPECIAL RULES.—

"(A) Paragraph (1) (B) shall apply only if—

"(i) there has been filed, at such time and

in such manner as may be prescribed by the Secretary or his delegate, a notice of filing of the application under section 317 of the Trade Expansion Act of 1962 for tax assistance, and, after its issuance, a copy of the certification under such section, and

"(ii) the taxpayer consents in writing to the assessment, within such period as may be agreed upon with the Secretary or his delegate, of any deficiency for any year to the extent attributable to the disallowance of a deduction previously allowed with respect to such net operating loss, even though at the time of filing such consent the assessment of such deficiency would otherwise be prevented by the operation of any law or rule of law.

"(B) In the case of—

"(i) a partnership and its partners, or

"(ii) an electing small business corporation under subchapter S and its shareholders,

paragraph (1) (B) shall apply as determined under regulations prescribed by the Secretary or his delegate. Such paragraph shall apply to a net operating loss of a partner or such a shareholder only if it arose predominantly from losses in respect of which

certifications under section 317 of the Trade Expansion Act of 1962 were filed under this section."

(c) Subsection (h) of section 6501 of the Internal Revenue Code of 1954 (relating to limitations on assessment and collection in the case of net operating loss carrybacks) is amended by inserting before the period: ", or within 18 months after the date on which the taxpayer files in accordance with section 172 (b) ~~(13)~~ *(3)* a copy of the certification (with respect to such taxable year) issued under section 317 of the Trade Expansion Act of 1962, whichever is later".

(d) Section 6511 (d) (2) (A) of the Internal Revenue Code of 1954 (relating to special period of limitation on credit or refund with respect to net operating loss carrybacks) is amended to read as follows:

"(A) PERIOD OF LIMITATION.—If the claim for credit or refund relates to an overpayment attributable to a net operating loss carryback, in lieu of the 3-year period of limitation prescribed in subsection (a), the period shall be that period which ends with the expiration of the 15th day of the 40th month (or the 39th month, in the case of a corporation) following the end of the taxable year of the net operating loss which results in such carryback, or the period prescribed in subsection (c) in respect

of such taxable year, whichever expires later; except that—

"(i) with respect to an overpayment attributable to a net operating loss carryback to any year on account of a certification issued to the taxpayer under section 317 of the Trade Expansion Act of 1962, the period shall not expire before the expiration of the sixth month following the month in which such certification is issued to the taxpayer, and

"(ii) with respect to an overpayment attributable to the creation of, or an increase in, a net operating loss carryback as a result of the elimination of excessive profits by a renegotiation (as defined in section 1481 (a) (1) (A)), the period shall not expire before September 1, 1959, or the expiration of the twelfth month following the month in which the agreement or order for the elimination of such excessive profits becomes final, whichever is the later.

In the case of such a claim, the amount of the credit or refund may exceed the portion of the tax paid within the period provided in subsection (b) (2) or (c), whichever is applicable, to the extent of

the amount of the overpayment attributable to such carryback."

SEC. 318. PROTECTIVE PROVISIONS.

(a) Each recipient of adjustment assistance under section 313, 314, or 317 shall keep records which fully disclose the amount and disposition by such recipient of the proceeds, if any, of such adjustment assistance, and which will facilitate an effective audit. The recipient shall also keep such other records as the Secretary of Commerce may prescribe.

(b) The Secretary of Commerce and the Comptroller General of the United States shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipient pertaining to adjustment assistance under sections 313, 314, and 317.

(c) No adjustment assistance shall be extended under section 313, 314, or 317 to any firm unless the owners, partners, or officers certify to the Secretary of Commerce—

(1) the names of any attorneys, agents, and other persons engaged by or on behalf of the firm for the purpose of expediting applications for such adjustment assistance, and

(2) the fees paid or to be paid to any such person.

(d) No financial assistance shall be provided to any firm under section 314 unless the owners, partners, or officers

shall execute an agreement binding them and the firm for a period of 2 years after such financial assistance is provided, to refrain from employing, tendering any office or employment to, or retaining for professional services any person who, on the date such assistance or any part thereof was provided, or within one year prior thereto, shall have served as an officer, attorney, agent, or employee occupying a position or engaging in activities which the Secretary of Commerce shall have determined involve discretion with respect to the provision of such financial assistance.

SEC. 319. PENALTIES.

Whoever makes a false statement of a material fact knowing it to be false, or knowingly fails to disclose a material fact, or whoever willfully overvalues any security, for the purpose of influencing in any way the action of the Secretary of Commerce under this chapter, or for the purpose of obtaining money, property, or anything of value under this chapter, shall be fined not more than $5,000 or imprisoned for not more than two years, or both.

SEC. 320. SUITS.

In providing technical and financial assistance under sections 313 and 314, the Secretary of Commerce may sue and be sued in any court of record of a State having general jurisdiction or in any United States district court, and juris-

diction is conferred upon such district court to determine such controversies without regard to the amount in controversy; but no attachment, injunction, garnishment, or other similar process, mesne or final, shall be issued against him or his property. Nothing in this section shall be construed to except the activities pursuant to sections 313 and 314 from the application of sections 507 (b) and 2679 of title 28 of the United States Code, and of section 367 of the Revised Statutes (5 U.S.C., sec. 316).

CHAPTER 3—ASSISTANCE TO WORKERS

SEC. 321. AUTHORITY.

The Secretary of Labor shall determine whether applicants are entitled to receive assistance under this chapter and shall pay or provide such assistance to applicants who are so entitled.

Subchapter A—Trade Readjustment Allowances

SEC. 322. QUALIFYING REQUIREMENTS.

(a) Payment of a trade readjustment allowance shall be made to an adversely affected worker who applies for such allowance for any week of unemployment which begins after the 30th day after the date of the enactment of this Act and after the date determined under section 302 (d), subject to the requirements of subsections (b) and (c).

(b) Total or partial separation shall have occurred—

(1) after the date of the enactment of this Act, and after the date determined under section 302(d), and

(2) before the expiration of the 2-year period beginning on the day on which the most recent determination under section 302(d) was made, and before the termination date (if any) specified under section 302(e).

(c) Such worker shall have had—

(1) in the 156 weeks immediately preceding such total or partial separation, at least 78 weeks of employment at wages of $15 or more a week, and

(2) in the 52 weeks immediately preceding such total or partial separation, at least 26 weeks of employment at wages of $15 or more a week in a firm or firms with respect to which a determination of unemployment or underemployment under section 302 has been made, or

if data with respect to weeks of employment are not available, equivalent amounts of employment computed under regulations prescribed by the Secretary of Labor.

SEC. 323. WEEKLY AMOUNTS.

(a) Subject to the other provisions of this section, the trade readjustment allowance payable to an adversely affected worker for a week of unemployment shall be an

amount equal to 65 percent of his average weekly wage or to 65 percent of the average weekly manufacturing wage, whichever is less, reduced by 50 percent of the amount of his remuneration for services performed during such week.

(b) Any adversely affected worker who is entitled to trade readjustment allowances and who is undergoing training approved by the Secretary of Labor, including on-the-job training, shall receive for each week in which he is undergoing any such training, a trade readjustment allowance in an amount (computed for such week) equal to the amount computed under subsection (a) or (if greater) the amount of any weekly allowance for such training to which he would be entitled under any other Federal law for the training of workers, if he applied for such allowance. Such trade readjustment allowance shall be paid in lieu of any training allowance to which the worker would be entitled under such other Federal law.

(c) (1) The amount payable to an adversely affected worker under subsection (a) for any week shall be reduced by any amount of unemployment insurance to which he is entitled with respect to such week (or would be entitled but for this chapter or any action taken by such worker under this chapter), whether or not he has filed a claim for such insurance.

(2) The amount payable to an adversely affected worker

under subsection (b) for any week shall be reduced by any amount of unemployment insurance which he has received or is seeking with respect to such week; but, if the appropriate State or Federal agency finally determines that the worker was not entitled to unemployment insurance with respect to such week, the reduction shall not apply with respect to such week.

(d) If unemployment insurance, or a training allowance under the Manpower Development and Training Act of 1962 or the Area Redevelopment Act, is payable to an adversely affected worker for any week of unemployment with respect to which he would be entitled (determined without regard to subsection (c) or (e) or to any disqualification under section 327) to a trade readjustment allowance if he applied for such allowance, each such week shall be deducted from the total number of weeks of trade readjustment allowance otherwise payable to him under section 324(a) when he applies for a trade readjustment allowance and is determined to be entitled to such allowance. If the unemployment insurance or the training allowance payable to such worker for any week of unemployment is less than the amount of the trade readjustment allowance to which he would be entitled if he applied for such allowance, he shall receive, when he applies for a trade readjustment allowance and is determined to be

entitled to such allowance, a trade readjustment allowance for such week equal to such difference.

(e) Whenever, with respect to any week of unemployment, the total amount payable to an adversely affected worker as remuneration for services performed during such week, as unemployment insurance, as a training allowance referred to in subsection (d), and as a trade readjustment allowance would exceed 75 percent of his average weekly wage, his trade readjustment allowance for such week shall be reduced by the amount of such excess.

(f) The amount of any weekly payment to be made under this section which is not a whole dollar amount shall be rounded upward to the next higher whole dollar amount.

(g) If unemployment insurance is paid under a State law to an adversely affected worker for a week during which he is undergoing training approved by the Secretary of Labor, the State agency making such payment shall be reimbursed from funds appropriated pursuant to section 337, to the extent that such payment does not exceed the trade readjustment allowance which such worker would have received if he had applied for such allowance and had not received the State payment. The amount of such reimbursement shall be determined by the Secretary of Labor on the basis of reports furnished to him by the State agency

and such amount shall then be placed in the Unemployment Trust Fund to the credit of the State's account.

SEC. 324. TIME LIMITATIONS ON TRADE READJUSTMENT ALLOWANCES.

(a) Payment of trade readjustment allowances shall not be made to an adversely affected worker for more than 52 weeks, except that, in accordance with regulations prescribed by the Secretary of Labor—

(1) such payments may be made for not more than 26 additional weeks to an adversely affected worker to assist him to complete training approved by the Secretary of Labor, or

(2) such payments shall be made for not more than 13 additional weeks to an adversely affected worker who had reached his 60th birthday on or before the date of total or partial separation.

(b) Except for a payment made for an additional week specified in subsection (a), a trade readjustment allowance shall not be paid for a week of unemployment beginning more than 2 years after the beginning of the appropriate week. A trade readjustment allowance shall not be paid for any additional week specified in subsection (a) if such week begins more than 3 years after the beginning of the appropriate week. The appropriate week for a totally

separated worker is the week of his most recent total separation. The appropriate week for a partially separated worker is the week in respect of which he first receives a trade readjustment allowance following his most recent partial separation.

SEC. 325. APPLICATION OF STATE LAWS.

Except where inconsistent with the provisions of this chapter and subject to such regulations as the Secretary of Labor may prescribe, the availability and disqualification provisions of the State law—

(1) under which an adversely affected worker is entitled to unemployment insurance (whether or not he has filed a claim for such insurance), or

(2) if he is not so entitled to unemployment insurance, of the State in which he was totally or partially separated,

shall apply to any such worker who files a claim for trade readjustment allowances. The State law so determined with respect to a separation of a worker shall remain applicable, for purposes of the preceding sentence, with respect to such separation until such worker becomes entitled to unemployment insurance under another State law (whether or not he has filed a claim for such insurance).

Subchapter B—Training

SEC. 326. IN GENERAL.

(a) To assure that the readjustment of adversely affected workers shall occur as quickly and effectively as possible, with minimum reliance upon trade readjustment allowances under this chapter, every effort shall be made to prepare each such worker for full employment in accordance with his capabilities and prospective employment opportunities. To this end, and subject to this chapter, adversely affected workers shall be afforded, where appropriate, the testing, counseling, training, and placement services provided for under any Federal law. Such workers may also be afforded supplemental assistance necessary to defray transportation and subsistence expenses for separate maintenance when such training is provided in facilities which are not within commuting distance of their regular place of residence. The Secretary of Labor in defraying such subsistence expenses shall not afford any individual an allowance exceeding $5 a day; nor shall the Secretary authorize any transportation expense exceeding the rate of 10 cents per mile.

(b) To the extent practicable, before adversely affected workers are referred to training, the Secretary of Labor shall consult with such workers' firm and their certified or recognized union or other duly authorized representative and develop a worker retraining plan which provides for training

such workers to meet the manpower needs of such firm, in order to preserve or restore the employment relationship between the workers and the firm.

SEC. 327. DISQUALIFICATION FOR REFUSAL OF TRAINING, ETC.

Any adversely affected worker who, without good cause, refuses to accept or continue, or fails to make satisfactory progress in, suitable training to which he has been referred by the Secretary of Labor shall not thereafter be entitled to trade readjustment allowances until he enters or resumes training to which he has been so referred.

Subchapter C—Relocation Allowances

SEC. 328. RELOCATION ALLOWANCES AFFORDED.

Any adversely affected worker who is the head of a family as defined in regulations prescribed by the Secretary of Labor and who has been totally separated may file an application for a relocation allowance, subject to the terms and conditions of this subchapter.

SEC. 329. QUALIFYING REQUIREMENTS.

(a) A relocation allowance may be granted only to assist an adversely affected worker in relocating within the United States and only if the Secretary of Labor determines that such worker cannot reasonably be expected to secure suitable employment in the commuting area in which he resides and that such worker—

(1) has obtained suitable employment affording a reasonable expectation of long-term duration in the area in which he wishes to relocate, or

(2) has obtained a bona fide offer of such employment.

(b) A relocation allowance shall not be granted to such worker unless—

(1) for the week in which the application for such allowance is filed, he is entitled (determined without regard to section 323 (c) and (e)) to a trade readjustment allowance or would be so entitled (determined without regard to whether he filed application therefor) but for the fact that he has obtained the employment referred to in subsection (a) (1), and

(2) such relocation occurs within a reasonable period after the filing of such application or (in the case of a worker who has been referred to training by the Secretary of Labor) within a reasonable period after the conclusion of such training.

SEC. 330. RELOCATION ALLOWANCE DEFINED.

For purposes of this subchapter, the term "relocation allowance" means—

(1) the reasonable and necessary expenses, as

specified in regulations prescribed by the Secretary of Labor, incurred in transporting a worker and his family and their household effects, and

(2) a lump sum equivalent to two and one-half times the average weekly manufacturing wage.

Subchapter D—General Provisions

SEC. 331. AGREEMENTS WITH STATES.

(a) The Secretary of Labor is authorized on behalf of the United States to enter into an agreement with any State, or with any State agency. Under such an agreement, the State agency (1) as agent of the United States, will receive applications for, and will provide, assistance on the basis provided in this chapter, (2) where appropriate, will afford adversely affected workers who apply for assistance under this chapter testing, counseling, referral to training, and placement services, and (3) will otherwise cooperate with the Secretary of Labor and with other State and Federal agencies in providing assistance under this chapter.

(b) Each agreement under this subchapter shall provide the terms and conditions upon which the agreement may be amended, suspended, or terminated.

(c) Each agreement under this subchapter shall provide that unemployment insurance otherwise payable to any

adversely affected worker will not be denied or reduced for any week by reason of any right to allowances under this chapter.

SEC. 332. PAYMENTS TO STATES.

(a) The Secretary of Labor shall from time to time certify to the Secretary of the Treasury for payment to each State which has entered into an agreement under section 331 the sums necessary to enable such State as agent of the United States to make payments of allowances provided for by this chapter. The Secretary of the Treasury, prior to audit or settlement by the General Accounting Office, shall make payment to the State in accordance with such certification, from the funds for carrying out the purposes of this chapter.

(b) All money paid a State under this section shall be used solely for the purposes for which it is paid; and any money so paid which is not used for such purposes shall be returned, at the time specified in the agreement under this subchapter, to the Treasury and credited to current applicable appropriations, funds, or accounts from which payments to States under this section may be made.

(c) Any agreement under this subchapter may require any officer or employee of the State certifying payments or disbursing funds under the agreement, or otherwise participating in the performance of the agreement, to give a surety

bond to the United States in such amount as the Secretary of Labor may deem necessary, and may provide for the payment of the cost of such bond from funds for carrying out the purposes of this chapter.

SEC. 333. LIABILITIES OF CERTIFYING AND DISBURSING OFFICERS.

(a) No person designated by the Secretary of Labor, or designated pursuant to an agreement under this subchapter, as a certifying officer, shall, in the absence of gross negligence or intent to defraud the United States, be liable with respect to the payment of any allowance certified by him under this chapter.

(b) No disbursing officer shall, in the absence of gross negligence or intent to defraud the United States, be liable with respect to any payment by him under this chapter if it was based upon a voucher signed by a certifying officer designated as provided in subsection (a).

SEC. 334. RECOVERY OF OVERPAYMENTS.

(a) If a State agency or the Secretary of Labor, or a court of competent jurisdiction finds that any person—

(1) has made, or has caused to be made by another, a false statement or representation of a material fact knowing it to be false, or has knowingly failed or caused another to fail to disclose a material fact; and

(2) as a result of such action has received any pay-

ment of allowances under this chapter to which he was not entitled,

such person shall be liable to repay such amount to the State agency or the Secretary of Labor, as the case may be, or either may recover such amount by deductions from any allowance payable to such person under this chapter. Any such finding by a State agency or the Secretary of Labor may be made only after an opportunity for a fair hearing.

(b) Any amount repaid to a State agency under this section shall be deposited into the fund from which payment was made. Any amount repaid to the Secretary of Labor under this section shall be returned to the Treasury and credited to the current applicable appropriation, fund, or account from which payment was made.

SEC. 335. PENALTIES.

Whoever makes a false statement of a material fact knowing it to be false, or knowingly fails to disclose a material fact, for the purpose of obtaining or increasing for himself or for any other person any payment or assistance authorized to be furnished under this chapter or pursuant to an agreement under section 331 shall be fined not more than $1,000 or imprisoned for not more than one year, or both.

SEC. 336. REVIEW.

Except as may be provided in regulations prescribed by the Secretary of Labor to carry out his functions under this

chapter, determinations under this chapter as to the entitlement of individuals for adjustment assistance shall be final and conclusive for all purposes and not subject to review by any court or any other officer. To the maximum extent practicable and consistent with the purposes of this chapter, such regulations shall provide that such determinations by a State agency will be subject to review in the same manner and to the same extent as determinations under the State law.

SEC. 337. AUTHORIZATION OF APPROPRIATIONS.

There are hereby authorized to be appropriated to the Secretary of Labor such sums as may be necessary from time to time to carry out his functions under this chapter in connection with furnishing adjustment assistance to workers, which sums are authorized to be appropriated to remain available until expended.

SEC. 338. DEFINITIONS.

For purposes of this chapter—

(1) The term "adversely affected employment" means employment in a firm or appropriate subdivision of a firm, if workers of such firm or subdivision are eligible to apply for adjustment assistance under this chapter.

(2) The term "adversely affected worker" means an individual who, because of lack of work in an adversely affected employment—

(A) has been totally or partially separated from such employment, or

(B) has been totally separated from employment with the firm in a subdivision of which such adversely affected employment exists.

(3) The term "average weekly manufacturing wage" means the national gross average weekly earnings of production workers in manufacturing industries for the latest calendar year (as officially published annually by the Bureau of Labor Statistics of the Department of Labor) most recently published before the period for which the assistance under this chapter is furnished.

(4) The term "average weekly wage" means one-13th of the total wages paid to an individual in the high quarter. For purposes of this computation, the high quarter shall be that quarter in which the individual's total wages were highest among the first 4 of the last 5 completed calendar quarters immediately before the quarter in which occurs the week with respect to which the computation is made. Such week shall be the week in which total separation occurred, or, in cases where partial separation is claimed, an appropriate week, as defined in regulations prescribed by the Secretary of Labor.

(5) The term "average weekly hours" means the

average hours worked by the individual (excluding overtime) in the employment from which he has been or claims to have been separated in the 52 weeks (excluding weeks during which the individual was sick or on vacation) preceding the week specified in the last sentence of paragraph (4).

(6) The term "partial separation" means, with respect to an individual who has not been totally separated, that he has had his hours of work reduced to 80 percent or less of his average weekly hours in adversely affected employment and his wages reduced to 75 percent or less of his average weekly wage in such adversely affected employment.

(7) The term "remuneration" means wages and net earnings derived from services performed as a self-employed individual.

(8) The term "State" includes the District of Columbia and the Commonwealth of Puerto Rico; and the term "United States" when used in the geographical sense includes such Commonwealth.

(9) The term "State agency" means the agency of the State which administers the State law.

(10) The term "State law" means the unemployment insurance law of the State approved by the Secre-

tary of Labor under section 3304 of the Internal Revenue Code of 1954.

(11) The term "total separation" means the layoff or severance of an individual from employment with a firm in which, or in a subdivision of which, adversely affected employment exists.

(12) The term "unemployment insurance" means the unemployment insurance payable to an individual under any State law or Federal unemployment insurance law, including title XV of the Social Security Act, the Railroad Unemployment Insurance Act, and the Temporary Extended Unemployment Compensation Act of 1961.

(13) The term "week" means a week as defined in the applicable State law.

(14) The term "week of unemployment" means with respect to an individual any week for which his remuneration for services performed during such week is less than 75 percent of his average weekly wage and in which, because of lack of work—

(A) if he has been totally separated, he worked less than the full-time week (excluding overtime) in his current occupation, or

(B) if he has been partially separated, he

worked 80 percent or less of his average weekly hours.

CHAPTER 4—TARIFF ADJUSTMENT

SEC. 351. AUTHORITY.

(a) (1) After receiving an affirmative finding of the Tariff Commission under section 301 (b) with respect to an industry, the President may proclaim such increase in, or imposition of, any duty or other import restriction on the article causing or threatening to cause serious injury to such industry as he determines to be necessary to prevent or remedy serious injury to such industry.

(2) If the President does not, within 60 days after the date on which he receives such affirmative finding, proclaim the increase in, or imposition of, any duty or other import restriction on such article found and reported by the Tariff Commission pursuant to section 301 (e)—

(A) he shall immediately submit a report to the House of Representatives and to the Senate stating why he has not proclaimed such increase or imposition, and

(B) such increase or imposition shall take effect (as provided in paragraph (3)) upon the adoption by both Houses of the Congress (within the 60-day period following the date on which the report referred to in subparagraph (A) is submitted to the House of Representatives and the ~~Senate)~~ *Senate)*, by the yeas and nays

by ~~a two-thirds vote~~ *the affirmative vote of a majority of the authorized membership* of each House, of a concurrent resolution stating in effect that the Senate and House of Representatives approve the increase in, or imposition of, any duty or other import restriction on the article found and reported by the Tariff Commission. For purposes of subparagraph (B), in the computation of the 60-day period there shall be excluded the days on which either House is not in session because of adjournment of more than 3 days to a day certain or an adjournment of the Congress sine die. The report referred to in subparagraph (A) shall be delivered to both Houses of the Congress on the same day and shall be delivered to the Clerk of the House of Representatives if the House of Representatives is not in session and to the Secretary of the Senate if the Senate is not in session.

(3) In any case in which the contingency set forth in paragraph (2) (B) occurs, the President shall (within 15 days after the adoption of such resolution) proclaim the increase in, or imposition of, any duty or other import restriction on the article which was found and reported by the Tariff Commission pursuant to section 301 (e).

(4) The President may, within 60 days after the date on which he receives an affirmative finding of the Tariff Commission under section 301 (b) with respect to an in-

dustry, request additional information from the Tariff Commission. The Tariff Commission shall, as soon as practicable but in no event more than 120 days after the date on which it receives the President's request, furnish additional information with respect to such industry in a supplemental report. For purposes of paragraph (2), the date on which the President receives such supplemental report shall be treated as the date on which the President received the affirmative finding of the Tariff Commission with respect to such industry.

(b) No proclamation pursuant to subsection (a) shall be made—

(1) increasing any rate of duty to a rate more than 50 percent above the rate existing on July 1, 1934, or

(2) in the case of an article not subject to duty, imposing a duty in excess of 50 percent ad valorem.

For purposes of paragraph (1), the term "existing on July 1, 1934" has the meaning assigned to such term by paragraph (5) of section 256.

(c) (1) Any increase in, or imposition of, any duty or other import restriction proclaimed pursuant to this section or section 7 of the Trade Agreements Extension Act of 1951—

(A) may be reduced or terminated by the Presi-

dent when he determines, after taking into account the advice received from the Tariff Commission under subsection (d) (2) and after seeking advice of the Secretary of Commerce and the Secretary of Labor, that such reduction or termination is in the national interest, and

(B) unless extended under paragraph (2), shall terminate not later than the close of the date which is 4 years after the effective date of the initial proclamation or the date of the enactment of this Act, whichever date is the later.

(2) Any increase in, or imposition of, any duty or other import restriction proclaimed pursuant to this section or pursuant to section 7 of the Trade Agreements Extension Act of 1951 may be extended in whole or in part by the President for such periods (not in excess of 4 years at any one time) as he may designate if he determines, after taking into account the advice received from the Tariff Commission under subsection (d) (3) and after seeking advice of the Secretary of Commerce and the Secretary of Labor, that such extension is in the national interest.

(d) (1) So long as any increase in, or imposition of, any duty or other import restriction pursuant to this section or pursuant to section 7 of the Trade Agreements Extension Act of 1951 remains in effect, the Tariff Commission shall

keep under review developments with respect to the industry concerned, and shall make periodic reports to the President concerning such developments.

(2) Upon request of the President, the Tariff Commission shall advise the President of its judgment as to the probable economic effect on the industry concerned of the reduction or termination of the increase in, or imposition of, any duty or other import restriction pursuant to this section or section 7 of the Trade Agreements Extension Act of 1951.

(3) Upon petition on behalf of the industry concerned, filed with the Tariff Commission not earlier than the date which is 9 months, and not later than the date which is 6 months, before the date any increase or imposition referred to in paragraph (1) or (2) of subsection (c) is to terminate by reason of the expiration of the 4-year period prescribed in paragraph (1) or an extension thereof under paragraph (2), the Tariff Commission shall advise the President of its judgment as to the probable economic effect on such industry of such termination.

(4) In advising the President under this subsection as to the probable economic effect on the industry concerned, the Tariff Commission shall take into account all economic factors which it considers relevant, including idling of productive facilities, inability to operate at a profit, and unemployment or underemployment.

(5) Advice by the Tariff Commission under this subsection shall be given on the basis of an investigation during the course of which the Tariff Commission shall hold a hearing at which interested persons shall be given a reasonable opportunity to be present, to produce evidence, and to be heard.

(e) The President, as soon as practicable, shall take such action as he determines to be necessary to bring trade agreements entered into under section 350 of the Tariff Act of 1930 into conformity with the provisions of this section. No trade agreement shall be entered into under section 201 (a) unless such agreement permits action in conformity with the provisions of this section.

~~SEC. 352. CONGRESSIONAL PROCEDURE.~~

~~(a) The following subsections of this section are enacted by the Congress:~~

~~(1) As an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they shall be considered as part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in such House in the case of resolutions (as defined in subsection (b)); and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and~~

(2) With full recognition of the constitutional right of either House to change such rules (so far as relating to the procedure in such House) at any time, in the same manner and to the same extent as in the case of any other rule of such House.

(b) As used in this section, the term "resolution" means only a concurrent resolution of the two Houses of Congress, the matter after the resolving clause of which is as follows: "That the Senate and House of Representatives approve the increase in, or imposition of, any duty or other import restriction—

"(1) found and reported by the United States Tariff Commission to be necessary to prevent or remedy serious injury to the domestic industry, in its report to the President dated ; 19 ; on its investigation numbered under section 301(b) of the Trade Expansion Act of 1962, and

"(2) with respect to which the President submitted his report (dated ; 19) pursuant to section 351(a)(2)(A) of such Act stating why he did not proclaim the increase in, or imposition of, any duty or other import restriction so found and reported by the Tariff Commission.",

the blank spaces therein being appropriately filled; and does

not include a concurrent resolution which specifies more than one such investigation.

(c) A resolution with respect to an investigation shall be referred to the Committee on Finance of the Senate or to the Committee on Ways and Means of the House of Representatives by the President of the Senate or the Speaker of the House of Representatives, as the case may be.

(d)(1) If the committee to which has been referred a resolution with respect to an investigation has not reported it before the expiration of ten calendar days after its introduction (or, in the case of a resolution received from the other House, ten calendar days after its receipt), it shall then (but not before) be in order to move either to discharge the committee from further consideration of such resolution, or to discharge the committee from further consideration of any other resolution with respect to such investigation which has been referred to the committee.

(2) Such motion may be made only by a person favoring the resolution, shall be highly privileged (except that it may not be made after the committee has reported a resolution with respect to the same investigation), and debate thereon shall be limited to not to exceed one hour, to be equally divided between those favoring and those opposing the resolution. No amendment to such motion shall be in

order, and it shall not be in order to move to reconsider the vote by which such motion is agreed to or disagreed to.

(3) If the motion to discharge is agreed to or disagreed to, such motion may not be renewed, nor may another motion to discharge the committee be made with respect to any other resolution with respect to the same investigation.

(e) (1) When the committee has reported, or has been discharged from further consideration of, a resolution with respect to an investigation it shall at any time thereafter be in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of such resolution. Such motion shall be highly privileged and shall not be debatable. No amendment to such motion shall be in order and it shall not be in order to move to reconsider the vote by which such motion is agreed to or disagreed to.

(2) Debate on the resolution shall be limited to not to exceed ten hours, which shall be equally divided between those favoring and those opposing the resolution. A motion further to limit debate shall not be debatable. No amendment to, or motion to recommit, the resolution shall be in order, and it shall not be in order to move to reconsider the vote by which the resolution is agreed to or disagreed to.

(f) (1) All motions to postpone, made with respect

to the discharge from committee, or the consideration of, a resolution with respect to an investigation, and all motions to proceed to the consideration of other business, shall be decided without debate.

(2) All appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to a resolution with respect to an investigation shall be decided without debate.

(g) If, prior to the passage by one House a resolution of that House with respect to an investigation, such House receives from the other House a resolution with respect to the same investigation, then—

(1) If no resolution of the first House with respect to such investigation has been referred to committee, no other resolution with respect to the same investigation may be reported or (despite the provisions of subsection (d)(1)) be made the subject of a motion to discharge.

(2) If a resolution of the first House with respect to such investigation has been referred to committee—

(A) the procedure with respect to that or other resolutions of such House with respect to such investigation which have been referred to commit-

~~tee shall be the same as if no resolution from the other House with respect to such investigation had been received; but~~

~~(B) on any vote on final passage of a resolution of the first House with respect to such investigation the resolution from the other House with respect to such investigation shall be automatically substituted for the resolution of the first House.~~

CHAPTER 5—ADVISORY BOARD

SEC. 361. ADJUSTMENT ASSISTANCE ADVISORY BOARD.

(a) There is hereby created the Adjustment Assistance Advisory Board, which shall consist of the Secretary of Commerce, as Chairman, and the Secretaries of the Treasury, Agriculture, Labor, Interior, and Health, Education, and Welfare, the Administrator of the Small Business Administration, and such other officers as the President deems appropriate. Each member of the Board may designate an officer of his agency to act for him as a member of the Board. The Chairman may from time to time invite the participation of officers of other agencies of the executive branch.

(b) At the request of the President, the Board shall advise him and the agencies furnishing adjustment assistance pursuant to chapters 2 and 3 on the development of coordinated programs for such assistance, giving full considera-

tion to ways of preserving and restoring the employment relationship of firms and workers where possible, consistent with sound economic adjustment.

(c) The Chairman may appoint for any industry an industry committee composed of members representing employers, workers, and the public, for the purpose of advising the Board. Members of any such committee shall, while attending meetings, be entitled to receive compensation and reimbursement as provided in section 401(3). The provisions of section 1003 of the National Defense Education Act of 1958 (20 U.S.C. 582) shall apply to members of such committee.

TITLE IV—GENERAL PROVISIONS

SEC. 401. AUTHORITIES.

The head of any agency performing functions under this Act may—

(1) authorize the head of any other agency to perform any of such functions;

(2) prescribe such rules and regulations as may be necessary to perform such functions; and

(3) to the extent necessary to perform such functions, procure the temporary (not in excess of one year) or intermittent services of experts or consultants or organizations thereof, including stenographic reporting services, by contract or appointment, and in such cases

such services shall be without regard to the civil service and classification laws, and, except in the case of stenographic reporting services by organizations, without regard to section 3709 of the Revised Statutes (41 U.S.C. 5). Any individual so employed may be compensated at a rate not in excess of $75 per diem, and, while such individual is away from his home or regular place of business, he may be allowed transportation and not to exceed $16 per diem in lieu of subsistence and other expenses.

SEC. 402. REPORTS.

(a) The President shall submit to the Congress an annual report on the trade agreements program and on tariff adjustment and other adjustment assistance under this Act. Such report shall include information regarding new negotiations, changes made in duties and other import restrictions of the United States, reciprocal concessions obtained, changes in trade agreements in order to effectuate more fully the purposes of the trade agreements program (including the incorporation therein of escape clauses), the results of action taken to obtain removal of foreign trade restrictions (including discriminatory restrictions) against United States exports, remaining restrictions, and the measures available to seek their removal in accordance with the purposes of this

Act, and other information relating to the trade agreements program and to the agreements entered into thereunder.

(b) The Tariff Commission shall submit to the Congress, at least once a year, a factual report on the operation of the trade agreements program.

SEC. 403. TARIFF COMMISSION.

(a) In order to expedite the performance of its functions under this Act, the Tariff Commission may conduct preliminary investigations, determine the scope and manner of its proceedings, and consolidate proceedings before it.

(b) In performing its functions under this Act, the Tariff Commission may exercise any authority granted to it under any other Act.

(c) The Tariff Commission shall at all times keep informed concerning the operation and effect of provisions relating to duties or other import restrictions of the United States contained in trade agreements entered into under the trade agreements program.

SEC. 404. SEPARABILITY.

If any provision of this Act or the application of any provision to any circumstances or persons shall be held invalid, the validity of the remainder of this Act, and of the application of such provision to other circumstances or persons, shall not be affected thereby.

SEC. 405. DEFINITIONS.

For purposes of this Act—

(1) The term "agency" includes any agency, department, board, wholly or partly owned corporation, instrumentality, commission, or establishment of the United States.

(2) The term "duty or other import restriction" includes (A) the rate and form of an import duty, and (B) a limitation, prohibition, charge, and exaction other than duty, imposed on importation or imposed for the regulation of imports.

(3) The term "firm" includes an individual proprietorship, partnership, joint venture, association, corporation (including a development corporation), business trust, cooperative, trustees in bankruptcy, and receivers under decree of any court. A firm, together with any predecessor, successor, or affiliated firm controlled or substantially beneficially owned by substantially the same persons, may be considered a single firm where necessary to prevent unjustifiable benefits.

(4) An imported article is "directly competitive with" a domestic article at an earlier or later stage of processing, and a domestic article is "directly competitive with" an imported article at an earlier or later stage

of processing, if the importation of the imported article has an economic effect on producers of the domestic article comparable to the effect of importation of articles in the same stage of processing as the domestic article. For purposes of this paragraph, the unprocessed article is at an earlier stage of processing.

(5) A product of a country is an article which is the growth, produce, or manufacture of such country.

(6) The term "modification", as applied to any duty or other import restriction, includes the elimination of any duty.

Union Calendar No. 764

87TH CONGRESS
2D SESSION

H. R. 11970

[Report No. 1818]

A BILL

To promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes.

By Mr. MILLS

JUNE 4, 1962

Referred to the Committee on Ways and Means

JUNE 12, 1962

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE

(For information only; should not be quoted or cited)

Issued Oct. 5, 1962
For actions of Oct. 4, 1962
87th-2d, No. 181

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HIGHLIGHTS: Senate passed USDA appropriation continuation measure for fiscal year 1963. Both Houses agreed to conference report on foreign trade bill. House insisted on amendments in disagreement on agricultural appropriation bill. Senate agreed to conference report on pay bill. Sen. Russell objected to consideration of supplemental appropriation bill. Senate passed roads bill. Sen. Morse commended Secretary Freeman's speech on forestry. Senate passed public works authorization bill. Senate received International Coffee Agreement. House passed bill for holding World Food Congress. Rep. Wilson, Ind., commended ASC committeemen. House agreed to conference report on school lunch fund apportionment bill. Sen. Mansfield and Rep. Cooley reviewed legislative accomplishments in farm legislation.

SENATE

1. AGRICULTURAL APPROPRIATIONS. Passed without amendment S. J. Res. 234, an appropriation continuation measure for this Department authorizing appropriations for fiscal year 1963 for "projects or activities which were conducted in the fiscal year 1962 by the Department of Agriculture, including the corporations therein, and the Farm Credit Administration, at a rate for operations not in excess of the current rate (amount appropriated or authorized to be expended in the fiscal year 1962) or the rate provided for in the budget estimate (amount estimated to be appropriated or estimated to be expended in the fiscal year 1963) whichever is lower, except that the 1963 Agricultural Conservation Program shall not exceed $250,000,000." Sen. Russell stated,

"I think it is prudent that the Senate pass the continuing resolution at this time, in the eventuality that it is impossible for the conferees to reach agreement on the regular appropriation bill." This measure had been reported by the Appropriations Committee earlier in the day (S. Rept. 2277). pp. 21014-5

2. FOREIGN TRADE. Both Houses agreed to the conference report on H. R. 11970, the foreign trade bill (by a vote of 256 to 91 in the House; no record vote in theSenate)(pp. 20997-21008, 21097-125). This bill will now be sent to the President. The conferees agreed to an amendment requiring the President to impose duties or other import restrictions on the products of any foreign country establishing and maintaining foreign import restrictions against U.S. agricultural products, notwithstanding any provision of any trade agreement under the bill and to the extent he deems necessary and appropriate, in order to prevent the establishment or obtain the removal of foreign import restrictions and to provide access of U. S. agricultural products to the markets of such foreign country. Also, agreed to an amendment of the Senate providing that Sec. 22 of the Agricultural Adjustment Act and import restrictions imposed thereunder shall be unaffected by this bill.

3. PERSONNEL. Agreed to the second conference report on H. R. 9727, the Federal pay and postal-rate increase bill, after the bill had been returned to conference earlier for further consideration (pp. 21017-20, 21053). The conferees struck out a provision in the bill which would have provided that retirement increases for retired employees could be paid out of the civil service retirement fund notwithstanding the provisions of Public Law 85-844.

Passed without amendment S. 3459, to authorize the appointment of one additional Secretary of State. p. 21057

The Post Office and Civil Service Committee voted to report (but did not actually report) H. R. 5698, to extend the apportionment requirement of the Civil Service Act to temporary summer employment. p. D939

4. SUPPLEMENTAL APPROPRIATIONS. Sen. Russell objected to the second reading of H. R. 13290, the supplemental appropriation bill for 1963, thus delaying consideration of the bill for one day (p. 20956). The Appropriations Committee voted to report this bill earlier in the day (p. D939).

5. PUBLIC WORKS. Passed with amendments H. R. 13273, the public works authorization bill for rivers and harbors and flood control projects (pp. 20958-996). Senate conferees were appointed (p. 20996). Agreed to an amendment by Sen. Hartke providing for the establishment of a Wabash Basin Interagency Water Resources Commission (pp. 20992-3). Consideration of a similar bill S. 3773 was indefinitely postponed (p. 20996).

6. ROADS. Passed with amendments H. R. 12135, the roads authorization bill for 1964 and 1965 (pp. 21011-4, 21016-7, 21020-3). Both Houses appointed conferees (pp. 21023, 21183). This bill includes authorizations for forest highways of $33 million for fiscal years 1964 and 1965, and for forest development roads and trails of an additional $20 million for fiscal year 1963 to bring the total authorization for that year to $60 million, $70 million for 1964, and $85 million for 1965 (as compared to the present level of $40 million).

7. FORESTRY. Sen. Morse inserted and commended Secretary Freeman's speech on the national forestry program before the Membership Conference of the Western Pine Association. pp. 21084-7

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR SMITH OF MASSACHUSETTS

Lt. Comdr. Richard Davids Stephenson was killed in World War II on D-day over Sicily on a volunteer mission while commanding an amphibious aircraft. He was awarded, posthumously, the Distinguished Flying Cross, lesser medals, and a British decoration.

In 1946 Mrs. Helenita Stephenson, his widow and mother of their four minor children, went through a wedding ceremony with one Frank Hine. The marriage was never consumated because of impotence resulting from an incurable, congenital brain tumor which manifested itself also in intermittent amnesia and Jacksonian epilepsy. A few weeks after the marriage the purported spouse disappeared and from then on was hidden periodically in various hospitals and sanitariums by his family. The claimant was not informed of Mr. Hine's condition before marriage during 8 months of courtship and she was unable to obtain evidence of his condition after marriage because of concealment in undisclosed institutions until Mr. Hine became publicly ill in 1954 and was confined in a known hospital from which she could subpena records. After this evidence became available for the first time. Mrs. Stephenson brought suit for annulment in the U.S. District Court for the District of Columbia in 1954. In her suit, heard in June 1955, she requested restoration of her rights and privileges as a unremarried widow and an annulment of the marriage on the basis of fraud as to physical condition and inability to support. The case was defended by attorney. The court held the marriage void ab initio and restored her rights and privileges. The expenses of this action were raised by Commander Stephenson's class of 1935, U.S. Naval Academy.

In 1946 Mrs. Stephenson had mistakenly informed the Veterans' Administration that she had contracted a valid marriage. When Mr. Hine deserted her shortly after her wedding she reported this in person to the Veterans' Administration and suggested reinstatement as an unremarried war widow. This was denied. Again, in 1955 after the court verdict the Veterans' Administration denied a pension on the ground that her marriage was voidable but not void. This ruling was questioned by a U.S. Senator as contrary to the decree of the Federal Court that the marriage was void ab initio. As a consequence, a hearing was held at the Central Office of the Veterans' Administration in 1956 and the claim for pension was again denied.

In 1956, after further congressional intervention the Veterans' Administration again denied the pension, this time on the grounds that the decree of the court did not represent a final judgment as the purported spouse had died within 90 days of the court action and consequently before the time for appeal had elapsed. It may be noted that the fact of his death had been known to the Veterans' Administration in 1955 but the court decree was not questioned as a final judgment until after hearings on other grounds had been held.

The Veterans' Administration is not subject to suit, but as Mrs. Stephenson had become entitled to benefits from the Social Security Administration under the Mothers' Insurance Benefit Act and as this agency had followed the ruling of the Veterans' Administration as to her status action was instituted against the Security Administration to determine her rights. The U.S. Court of Appeals of the District of Columbia in this action upheld the decree of the lower court in the annulment suit and decreed that the marriage was void ab initio and that the claimant was entitled to all her rights and benefits as a unremarried widow.

After this decision, the Veterans' Administration failed to act for 9 months until the inconsistency of payment and recognition of her status by the Social Security Administration and nonpayment and nonrecognition of her as an unremarried widow was brought to the Veterans' Administration attention by the aforementioned Senator.

In October 1957 the Veterans' Administration finally sent a check for $1,425 to the claimant with no explanation or covering letter. The claimant computed the amount as representing her pension from July 1955 to October 1957 or from 1 month after the issuance of the court decree of annulment of ab initio.

In connection with the proposed bill, it may be noted that there is no law requiring nonpayment of a war widow pension during a period of a subsequent void marriage. Any such law apparently would be unconstitutional because contrary to the general principle that a void contract has absolutely no effect. Even though the Veterans' Administration has wide discretionary authority, it is difficult to understand how an act of this agency which is contrary to general law is not wisely remedied.

Moreover, under its wide discretionary authority there would appear to be no justification of fear of improper precedent. The Veterans' Administration is authorized to use its discretion in each individual situation. As the Veterans' Administration in a requested status letter to the White House, in March 1961, stated that this claim represented an exceptional case its merits would appear subject to individual determination without any effect on other distinguishable situation in the future.

Under a recent decision the courts have held that where eligibility was mistakenly reported to the Government and payments made, a beneficiary must repay the benefits received through the mistake. Where a claimant mistakenly reports ineligibility, as in this situation, the Government similarly would seem to be under a moral if not a legal obligation to pay the beneficiary the benefits that had been upheld through the erroneous report of the claimant. The Government would not appear to be justified in benefiting from error or a contract any more than it should be expected to suffer a loss in a situation created by error or a void contract.

The enactment of H.R. 9285 will rectify a situation where the only remedy available to the claimant rests in the conscience and sense of justice of Members of Congress.

TRADE EXPANSION ACT OF 1962—CONFERENCE REPORT

Mr. MANSFIELD. Mr. President, the distinguished chairman of the Finance Committee, the senior Senator from Virginia [Mr. BYRD], wishes to call up the conference report on the trade bill, I believe.

Mr. BYRD of Virginia. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of October 2, 1962, pp. 20597–20598, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. BYRD of Virginia. Mr. President, I wish to state that the Senate conferees stood firm and was successful in retaining most of the changes it had made in the House bill. We were disappointed in one or two respects, but generally feel that we have maintained the Senate position very well.

I shall briefly review the action of the conferees, although I shall not take the time of the Senate to discuss technical or conforming amendments nor small matters about which there is little difference.

In the statement of purposes there was a compromise. The Senate had deleted parts 3 and 4, having to do with assistance in the progress of undeveloped countries and the prevention of Communist economic penetration. The House conferees receded on No. 3, and the Senate conferees receded on No. 4—so that the statement of purposes now contains a reference to the prevention of Communist economic penetration.

The Senate amendments created a new Free European Trading Community, thus enlarging the possibilities of reducing to zero the duties where 80 percent of world trade is accounted for by the United States and the countries of that organization. On this the Senate conferees were forced to recede. It was pointed out strongly that to enlarge the present European Economic Community for the purposes of this section of the act might act as a deterrent to entrance of the United Kingdom into the Common Market, and the fact remains that the authority to reduce tariffs by 50 percent is still available.

As I have stated, there was no way in which that the Senate conferees could persuade the conferees of the House to accept this new principle.

With regard to the Senate amendments concerning the Tariff Commission reports and advice to the President on the items which are to be negotiated upon, the Senate conferees persuaded the House conferees to recede. Upon the Senate amendment, the type of report to be prepared by the Tariff Commission is much more detailed and complete. The House conferees recognized the value of this addition to the bill, and accepted it. This accounted for amendments Nos. 15, 16, 17, and 18. Amendment No. 19 was a conforming one.

The House conferees also receded on amendment No. 20. Section 225(b) of the bill as passed by the House required the President, during the 4-year period which begins on the date of the enactment of the act, to reserve certain articles—with respect to which the majority of the Tariff Commission has

found injury under prior law—from negotiation under the bill for a period of 4 years. The Senate required the reservation to be 5 years; and that figure stands, inasmuch as the House conferees receded.

Under amendment No. 21, section 231 of the bill as passed by the House directs the President to suspend, withdraw, or prevent the application of any trade agreement concessions to products of any country or area dominated or controlled by communism. The Senate amendment struck out "any country or area dominated or controlled by communism" and inserted "the Union of Soviet Socialist Republics, Communist China, and any other country or area dominated or controlled by the foreign government or foreign organization controlling the world Communist movement." On this the Senate was forced to recede.

Mr. JAVITS. Mr. President, will it be convenient for the Senator to yield at this time on that point?

Mr. BYRD of Virginia. I yield.

Mr. JAVITS. I should like to pinpoint one matter, to which I shall address myself later, namely, that this change in definition makes a real difference in the view of the conferees, in that the President will not be able to give the most-favored-nation treatment to either Yugoslavia or Poland, if we adopt the conference report language. Does it not?

Mr. BYRD of Virginia. That is correct. It is covered in the next paragraph of my statement.

Mr. JAVITS. I thank the Senator.

Mr. BYRD of Virginia. The point at issue was, Should the President be allowed to give most-favored-nation treatment to Poland and Yugoslavia? Under the Senate amendment, he would be permitted to do so; under the House version Poland and Yugoslavia could not get most-favored-nation treatment. The bill states this should be accomplished "as soon as practicable" which permits the President to determine when the action required under section 231 is feasible.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. BYRD of Virginia. I yield.

Mr. JAVITS. Is the President of the United States for or against the provision?

Mr. BYRD of Virginia. I understand the administration was opposed to the provision whereby the most-favored-nation treatment could not be given either to Poland or Yugoslavia.

Mr. JAVITS. Does the Senator know if the administration is so much against the provision that the President will veto the bill because of it?

Mr. BYRD of Virginia. I have no information as to what the President will do. I cannot imagine that he would veto the entire bill because of the fact that the House would not agree to the amendment which was adopted by the Senate.

Mr. JAVITS. Nonetheless, it seems to me that the President has made it clear that he considers the limitation of his power in this manner extremely embarrassing and damaging to the national interest. I gather the Senator from Virginia has no actual information on that subject. Is that correct?

Mr. BYRD of Virginia. I have no actual information, except that we were told in conference the President favored the Senate provision whereby the most-favored-nation treatment could be given to Poland and Yugoslavia. The House was absolutely adamant. We were told by the chairman of the committee in the House that they would refuse to sign the report, and the Senate could do nothing, but was compelled to recede.

Mr. JAVITS. If it wanted a bill.

Mr. BYRD of Virginia. If it wanted a bill.

Mr. JAVITS. I thank the Senator from Virginia.

Mr. BYRD of Virginia. It should be noted, however, I will say to the Senator from New York, that trade may continue with these two countries, even though they may not get the most-favored-nation treatment.

Mr. JAVITS. Will the Senator yield further to me at that point?

Mr. BYRD of Virginia. I yield.

Mr. JAVITS. I understand the country on which this provision will bear most heavily is Yugoslavia, because the great preponderance of the trade of Yugoslavia moves under the most-favored-nation opportunity with the United States. Perhaps the Senator from Virginia will confirm for me whether it is not true that in Yugoslavia's case, unlike the rest of the Communist bloc, Yugoslavia's trade is very substantially oriented to the free world, rather than being intra-Communist bloc, as is true of the other nations of the Communist bloc.

Mr. BYRD of Virginia. That is correct. The provision does not stop trade with Yugoslavia; it simply takes away the most-favored-nation treatment.

Mr. JAVITS. I thank the Senator.

Mr. BYRD of Virginia. Amendment No. 22 provided that the Special Representative for Trade Negotiations established in the bill shall be the chief representative of the United States for each general multilateral negotiation, allowing others to handle the minor negotiations. The Senate receded, but won its point—that is, that the Special Representative need not personally conduct every relatively minor negotiation, although he will be responsible for the conduct of every negotiation regardless of size.

Amendments Nos. 23, 25, and 28 had to do with the interagency organization provided for by section 242 of the bill. The House provided that the Chairman of this organization should be a member of the Cabinet selected by the President, with the Special Representative an ex officio member. The Senate provided that the Special Representative should be Chairman of the organization and the House receded on this point. Incidentally, he will be subject to confirmation of the Senate. Thus, the Special Representative will be Chairman of the Interagency Organization as well as being responsible for all negotiations under the bill.

The Senate and its conferees thought there should not be included a definite mandate to the President that a member of the Cabinet be appointed, because these members may have some special interests. Therefore, the President is left with the capacity to appoint some other outstanding person in charge of negotiations, and that person's nomination will be subject to confirmation by the Senate.

The changes in language adopted by the Senate to section 252(a) of the House bill were not acceptable to the House even though it was admitted that the Senate amendment was fairly inocuous. The term "unjustified" was restored and the term "unjustifiably" was deleted. The Senate receded.

On amendment No. 38 the conferees compromised. Under the conference agreement the President is to exercise the authority of the Senate amendment "to the extent he deems such duties and other import restrictions" necessary to prevent or remove foreign restrictions on imports of U.S. agricultural products. With this modification the Senate amendment was accepted. The new language adopted by the conferees in no way alters the sense of the Senate that the President shall have powerful weapons with which to bargain down or prevent the establishment of foreign restrictions which hinder our exports of agricultural products.

By amendment No. 39 the Senate strengthened section 252(b) of the bill. In discussing the directive to the President to deny trade agreement benefits to a country which maintains nontariff trade restrictions which burden commerce in a manner inconsistent with our trade agreements, the House referred to "unlimited variable import fees." The Senate deleted the term "unlimited," and the House receded on this point.

Under amendment No. 41 the President is given authority to deny trade agreement benefits to any country maintaining unreasonable import restrictions which burdens U.S. commerce. The amendment requires that in giving effect to this section the President is to give due regard to our international obligations. The House receded and the amendment stands.

On amendment No. 52 the House also receded. This amendment provided that the provisions of the bill do not in any way affect section 22 of the Agricultural Adjustment Act or any import restrictions thereunder.

Senate amendment No. 53 adds a new section to the Tariff Act relating to conservation of fishery resources. Under this section the President is directed to use all appropriate means to persuade other countries to negotiate in good faith concerning such conservation. If any country fails to negotiate in good faith the President may increase duties on imports of fish products from that country. The Senate amendment was retained, the House receded.

Amendment No. 55 related to section 301(a) of the bill. This has to do with the filing of petitions for tariff adjustment and for petitions for eligibiilty to apply for adjustment assistance. This amendment also sets forth the two types of petitions in separate paragraphs and authorizes the filing of petitions for the negotiation of orderly marketing

agreements under section 352. The House receded with a modification deleting the reference to filing petitions for the negotiations of agreements under section 352 on the grounds that this is a prerogative of the President after an escape clause appeal to the Tariff Commission has been successfully concluded.

Under amendments Nos. 57, 62, and 65 the Senate approved the strengthening of the escape clause by stating that the injury or threat of injury need only be "in major part" the result of tariff concessions. Under the House bill it might have been interpreted that increased imports as a result of tariff concessions had to be the sole cause of the injury. On this the House also receded. This same principle applies to amendments Nos. 59 and 66 on which the House also receded.

Under section 301(c) of the House bill the Tariff Commission would be required to make a complete escape-clause type investigation for firms or groups of workers as for whole industries. Senate amendments Nos. 61 and 64 deleted the requirement that industry determinations be made in such cases and provided in lieu thereof that petitions under section 301(c) be made more promptly. Here again the House receded and the Senate amendment stands. By amendment No. 67 the Senate deleted the proviso that, during a period beginning not earlier than 30 days after publication of notice of hearings with respect to an industry and ending not later than the date of the report of the Commission with respect thereto, no petition for eligibility to apply for adjustment assistance could be filed by a firm or group of workers concerning the same articles. The House also receded in this case.

Senate amendments Nos. 69 and 70 were also designed to speed up operations. Under the sections relating to adjustment assistance, for example, hearings would not be required unless requested by some interested party. Once more the House receded.

Amendments Nos. 71 and 72 extended the time for Tariff Commission reports under the escape clause to 6 months—the House bill allowed 120 days plus another 30 days if extended by the President. Here again the Senate amendment was accepted and the House receded.

Under Senate amendment No. 75 the amount of trade readjustment allowance payable to any worker for any week is reduced only by the amount of unemployment insurance which he has received or is seeking with respect to that week. The Senate prevailed here also and the House receded.

Senate amendments Nos. 76 and 77 were also adopted by the conferees. Under No. 76 the number of weeks for which any worker may receive trade readjustment allowances is reduced only by the number of weeks for which such unemployment insurance or training allowances are actually paid to the worker. Amendment No. 77 provided that certain additional amounts will be payable only if the worker was actually paid unemployment insurance or a training allowance for the relevant week.

The House further receded on Senate amendment No. 78. In agreeing to this amendment the conferees intended that if payments of unemployment insurance are made by a State to an adversely affected worker and the State agency is reimbursed for such payments, and such payments are disregarded under the State law in determining whether or not an employer is entitled to a reduced rate of contributions permitted by State law, then the worker is not to have his eligibility for unemployment insurance reduced on account of such payments.

Amendments Nos. 84, 85, and 88 were compromised, with the Senate receding on No. 85. Under this compromise, the increases in duties or other import restrictions proclaimed under the escape clause of the present law shall terminate in 5 years and such increases proclaimed under the new law shall terminate in 4 years. The House version provided for termination in 4 years of all such increases under both the present law and the new law, while the Senate amendments provided for a termination in 5 years of all such increases. These same periods also apply to the reservation of articles from new negotiations.

The House receded on amendment No. 90. This was a new section added by the Senate providing that the President may enter into orderly marketing agreements with foreign countries.

As you have seen, the House receded on most of the Senate amendments. However, they refused to recede on amendment No. 91 which was a new section added by the Senate giving the President authority to increase tariffs, and impose quotas or new tariffs when he found it in the national interest. On this the House stood firm and indicated that no compromise was possible. The Senate finally receded.

I am happy to report a successful conference. Including technical changes made necessary by Senate amendments, the conferees discussed 94 amendments. As I have indicated, the Senate stood firm and held its position on most of them. I hope the Senate will give speedy approval to the conference report.

Mr. BUSH. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. YOUNG of Ohio in the chair). Does the Senator yield?

Mr. BYRD of Virginia. I yield to the Senator from Connecticut.

Mr. BUSH. I wish to felicitate the Senator from Virginia upon the conclusion of his arduous labors in connection with this exceedingly comprehensive and difficult piece of legislation.

Mr. President, I want the RECORD to show that I support the conference report. This is because I feel that the Trade Agreements Act should not be allowed to expire and also because I feel that the President should have additional authority to continue trade negotiations and to create new trade agreements.

I opposed many sections of the bill, and I still do oppose them. I offered various amendments which I thought would improve the bill by removing some of its discriminatory features, thereby creating a situation under which all elements of the economy would be treated with equal fairness and justice.

One of the reasons why I voted against the bill, and one of my objections to it, was that various industries or various elements of the economy were to be given preferred treatment, while others were to be left without any assurance of protection or consideration, and without what I considered to be an adequate court or process of appeal to correct injustices or hardships which might be created by excessive imports.

We worked hard to try to perfect the bill in respect to those matters, and others.

Inasmuch as the die is cast, and inasmuch as I wish the President to continue to make trade agreements, I shall support the conference report. I express very strongly the hope that the President, in using the vast new powers, will use them with great discretion and with equal and fair treatment to all elements of the economy.

I will not say I have no doubt in that regard, but I express the very strong hope that the President will do this.

It seems to me that one class of people or one element of our industrial and commercial life should not be preferred against another, but that equal treatment should be accorded to all under an important piece of legislation such as this—and, indeed, under any piece of legislation.

So I conclude by saying that I support the conference report. I hope that the President will exercise his new powers wtih great discretion and consideration for all elements of our economy, and in such a way as to provide an overall and very substantial benefit for the United States. I thank the Senator for yielding.

Mr. MORSE. Mr. President——

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. BYRD of Virginia. I yield to the Senator from New York.

Mr. JAVITS. I am grateful to the Senator for yielding. I, too, would like to make a few observations, if I may, on the conference report, which, I must say, I find not nearly as satisfactory or encouraging as does the Senator from Connecticut.

We are facing a very serious situation in the world which only enlarged exports can change. It is absolutely astounding to me that we do not show the necessary economic sophistication to understand that in order to enlarge the exportation of goods, we must do something about the bill which we are not doing.

In short, the very Senators who express the gravest concern about voting for foreign aid and how it would run the country down the drain, and so forth, are those who would probably embrace with alacrity the very elements of this bill which would prevent us from paying the foreign aid bill without borrowing.

Our imbalance of international payments is serious. It continues to be serious. In essence it represents something like $3 billion plus a year. It is a substantial imbalance. Yet we have found that it is the will of this body,

with which I could not agree more, that we shall continue our military and economic aid obligations which do much to create the imbalance.

Nor do we wish to restrict our private investments abroad, which are essential to the world's development. In fact, our private oversea investment in many areas is very deficient right now and, if anything, we are not forwarding the world's development as well as we must.

Nonetheless, when we get to the bill we lose any understanding of the connection between the balance of payments and trade. If we want to balance our international payments, we must trade more than we do. Certainly we have a $3-, $4- or $5-billion export surplus, depending on whether or not one counts Government supported exports, but that is not enough. It is not enough, also, for the development of the world which represents perils and needs way beyond that. But the House has been allowed to prevail in the elements of the bill which would bring about the greatest restrictions and pull us back from acquiring an ability to balance our payments and to do the economic development job.

I have no fault to find with the Senator from Virginia [Mr. BYRD]. I am sure he did as well as he could. But it represents a lack of consciousness on the part of our country which does not come back to Senators in order to give us the strength and support, and in the other body, also it is not communicated, as to what we need in the way of a bill.

What is wrong with the bill? I shall be brief, because I do not wish to keep my dear friend the Senator from Oregon on his feet longer than necessary.

First, we would place a premium on the British getting into the European Common Market whether they like it or not, because by receding from that section of the Senate bill which provided that we could group together, for purposes of mutual tariff elimination, those in the European Economic Community, the Six Nations, with those in the European Free Trade Association, which would include the United Kingdom, we now have put another gun at Britain's head to make Great Britain go into the Common Market. Otherwise, she could not make with us nor could we make with her or any other nation an effort to obtain the large concessions required to expand international trade with respect to most of the major items of that trade, because we cannot go beyond the 50 percent tariff reduction limitation of the bill, except when we and the European Economic Community handle 80 percent of the world exports of a particular commodity.

The United Kingdom is not in the European Common Market. Therefore, we would put an additional burden on her to get in, notwithstanding the disquietude of many of her Dominions and other Commonwealth members, which think the proposal is a very bad idea for her and them, notwithstanding the fact that in order to get in, she needs to make a good trade deal with the Commonwealth. We want her in the European Common Market, but we want her also to have her right to a ticket to protect her Commonwealth and not to have the ticket written by the European Common Market countries. Yet, by passing the bill in this fashion, we have given Britain an additional handicap to the one she is already under. She must negotiate with the European Common Market. We know she is under a considerable handicap already.

That is the first point.

Second, we have a great opportunity in making a bid to the non-Communist world, the new nations in Africa, Latin America, and Asia, which is infinitely more important, in my view, than much that we can do for them in terms of aid. We have stricken out one sentence in the Senate bill which would give away a tremendous asset which we had in our hands. One of the purposes of the original bill was "to assist in the progress of countries in the earlier stages of their economic development."

That meant that when we bargained with great industrial powers—and the great industrial powers represent the great export markets of the world—we could bargain for Brazil's coffee. We could bargain for Ghana's cocoa. We could bargain for nitrates from Chile. We could bargain for wool from Argentina or meat from Argentina. We could bargain for silver from Mexico. In short, we could do something with our great economic power to help the new nations of the world in trade which to them is far more important than aid.

By striking out that provision, we have now limited the President's directive so that he no longer must try to serve that particular purpose. In my opinion, we have deprived ourselves also of a great propaganda asset with these newly developing nations, to which we could have said, "We have inserted in our trade bill a stipulation that we will provide what is more important to you than aid itself."

Finally, I think we are making a colossal blunder in respect of Poland and Yugoslavia.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield on his first point?

Mr. JAVITS. I do not have the floor. I believe the Senator from Virginia has the floor.

Mr. BYRD of Virginia. I yield.

Mr. WILLIAMS of Delaware. Merely for the record, I should like to say that I understand and sympathize with the argument that the Senator has advanced in connection with the exclusion of Great Britain. But I think it would be well to place in the RECORD that at that time the amendment, which was a Senate amendment, as the Senator understands, was approved in our committee. It was approved and made a part of the Senate bill over the objections of the State Department. They very strongly opposed that provision, which to lead the bill into a conference. I understand unofficially that they may have changed their minds since. But as the bill came from the House originally, they supported the position and opposed it strongly in our committee and told us they would like it deleted.

Mr. JAVITS. I thank the Senator. I think the Senator knows me well enough to know that I have never claimed omniscience for myself or the State Department. I think perhaps they were wrong.

Mr. WILLIAMS of Delaware. I understand that they have now changed their position and are on the other side.

Mr. JAVITS. I thank my colleague. I feel strengthened on that point. I should like to make the last point, which relates to Poland and Yugoslavia.

Mr. President, I have always felt that it was wonderful that in the Senate there are those who have expertise in different areas. We all do not have to know the same things. I know very little about Western reclamation. Many Senators know a great deal more. I am desirous of listening to them. I hope that Senators will try to really understand what goes on with reference to Yugoslavia and Poland. That is an area in which I have had a great deal of experience. Ever since 1945 I have studied the subject very deeply.

Mr. President, surely the argument is that we can negotiate a trade treaty with Yugoslavia and with Poland directly, and the President, subject to congressional approval, can make concessions and those countries can make concessions. Therefore, the opportunity to extend to them automatically the benefits of the most-favored-nations clause, it is said, cannot hurt us, because, after all, if we can negotiate a treaty with them containing mutual concessions, we can negotiate any concessions we please. But that attitude misses the boat completely for the following reason: Yugoslavia and Poland are in the Communist bloc. We know that Khrushchev will put down any show of real independence in Poland with the same ruthlessness with which he acted in Hungary. It is not easy for those countries to deal with us directly. In many cases they cannot do it in terms of the physical safety of their own people. So where we have been able to help them in terms of giving them some economic independence from the Communist bloc is by virtue of the favored-nations clause. In short, we would permit Yugoslavia and Poland to have the benefit of the bill. They would not have to negotiate with us, but would receive the benefits nevertheless. The fact is that the preponderance of Yugoslavia's trade is with the free world. In the case of Poland, a large proportion of its trade is with the free world, whereas Czechoslovakia and Bulgaria and Rumania and the other Balkan countries are kept in absolute vassalage by the Soviet Union, partly because they have little trade except intra-Communist bloc trade. Great strategists in the Senate are always talking about the fact that we will take the initiative; we will show the Russians how smart we are. We are letting slip out of our hands the greatest economic initiative that we have; with our eyes open it walks out the door and gets away from us.

Why? It is because doctrinaire objections are made which are almost impossible to understand. We say that we will not do business with the Communists; we will let them starve to death.

At the same time, they are constantly being fattened, and in many cases are becoming as strong as we are.

Mr. Khrushchev will be delighted. He will not think it is a great victory for us. He will be delighted to know what we have done, because he knows better than we the power of trade. He knows better than we what it will mean to Yugoslavia and Poland when they must turn to the Communist bloc in order to do business, in order to eat, in order to obtain the necessities of life, instead of looking more and more toward us.

This is a very serious blunder. I cannot stop it. I do not understand why the President of the United States has not stopped it. I believe that if he had explained to the people of the country precisely what is involved here, if he had not been so overwhelmed by the chairman of one of the committees, he could have prevailed.

I have backed the President time and time and time again. I am dismayed and disheartened when he fails to show fight on economic issues.

Mr. President, this is particularly deplorable, because this is where it counts. It counts more than the billions that we will be spending on aid. These countries could have been doing something on their own. Instead, we have committed a blunder. All I can do is make the welkin ring. Perhaps my people in New York will not send me back to the Senate. They may not like the strong position I take on issues of this kind. I have been trained in economics for years, and this is the day that I pay back to the country what I know about these situations. I cannot do anything about it. However, the voice of protest may yet count after our experience shows what a disastrous mistake we have made.

Mr. BYRD of Virginia. Of course, the Senator knows that this provision was in the Senate bill.

Mr. JAVITS. Of course, I am proud of the Senate.

Mr. BYRD of Virginia. The House refused to accept it.

Mr. JAVITS. I know. I am proud of the Senate. The Senate acted in a statesmanlike manner. I am proud indeed. I know the Senator did everything he could to get this done. I am grateful to the Senator.

Mr. President, at the conclusion of my remarks I ask unanimous consent to have inserted in the RECORD an article by Walter Lippmann from the Washington Post of October 2, dealing with the issue of trade with Poland and Yugoslavia.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TODAY AND TOMORROW—BACKFIRING MISCHIEF

(By Walter Lippmann)

Although our attention is fixed on Mississippi and although it is a long way to Yugoslavia and Poland, this Tuesday is a critical day in the cold war in Eastern Europe.

The trade bill, on the whole so excellent, is being reported out of the conference of the House and Senate, and in its present form it contains a provision, inserted by the House against the will of the Senate, that would damage severely U.S. policy in Eastern Europe.

This policy was initiated by Truman and Acheson, elaborated by Eisenhower and Dulles, and carried on by Kennedy and Rusk. It offers material advantage to Communist countries that try to achieve national independence from the domination of the Soviet Union. The trade bill as it now stands would wreck this policy. On a crucial point the House has prevailed over the Senate.

The difference between the two versions turns on what is known as the most favored nation, for short the so-called MFN clause in trade agreements. Most favored nation means that if a government grants tariff privileges to another, it must do the same for countries with which it has treaties containing the most-favored-nation clause.

Thus, insofar as this country has lowered its tariffs under the Reciprocal Trade Act, it has granted to all nations with which it has most-favored-nation agreements the same concessions.

Moreover, if the President acts under the trade bill to negotiate lower tariffs with the Common Market, we must grant the same lower duties to any other country with which we have a most-favored-nation agreement.

With Yugoslavia, since it was created after World War I, our trade relations have been governed by the 1891 Treaty of Friendship Commerce, and Navigation with the old kingdom of Serbia. It contains a most-favored-nation clause. As an act of policy, we have since December 1960, granted this treatment to Poland, with which there is no treaty.

Now in the trade bill as it passed the Senate, the most-favored-nation treatment would be denied to any "country or area dominated or controlled by the foreign government or foreign organization controlling the world Communist movement." This is identical with existing law.

For some 13 years under three Presidents the official American judgment has been that although Yugoslavia is ruled by Communists, in a very considerable degree Yugoslavia is an independent national state and in critical matters is not ruled by Moscow.

About Poland, our feeling has been that it is struggling rather effectively to achieve increasing national independence. Thus under the Senate version, Yugoslavia and Poland would continue to be eligible for most-favored-nation tariff treatment.

But in the House version, which prevailed in the conference, the test is not national independence but ideological belief. Thus most-favored-nation treatment must be denied to "any country or area dominated or controlled by communism."

If this test prevails in the final bill, the President will have to deny most-favored-nation treatment "as soon as practicable" to Poland and to Yugoslavia.

What will be the practical effect? The economic impact will be much greater on Yugoslavia, which does 70 percent of its foreign trade with the Western countries, than on Poland, which does only about 40 percent of its trade with the West.

The act of slamming the door in their faces will be demoralizing to the younger generation everywhere in Eastern Europe who look increasingly toward the West. The symbolic importance probably outweighs the material effect.

Because Yugoslavia has received most-favored-nation treatment for so long a time, it has built up a foreign trade dependent on the tariff benefits, which give it a great advantage as against its Communist neighbors and parity with its competitors in the non-Communist world.

If the trade bill prevails as it now stands, the tariff duties on about 90 percent of the goods imported into the United States from Yugoslavia will be raised to the level of the Smoot-Hawley tariff of 1930. They are between 2 and 3 times higher than the rates that now prevail.

Yugoslavia will then face the same U.S. tariff as does the Soviet Union, Hungary, Ulbricht's East Germany, and Stalinist Czechoslovakia.

As for Poland, the material effect will be less catastrophic. Taking the 1961 figures, out of a total of $41.2 million worth of U.S. imports from Poland, there will be no increase on about 80 percent.

This is mainly because so large a part of the imports are canned meat on which we have made no tariff concessions to any country. For the rest, Poland has enjoyed most-favored-nation treatment only since December 1960 and has not had time to develop much trade accordingly.

The fact that Yugoslavia has such a preponderant relationship with the non-Communist world has had enormous bearing on the cold war in Southern and Eastern Europe.

Ideologically, the Yugoslav officials are Communists. But they are Yugoslav Communists and not Muscovite Communists. So on matters that do not affect Yugoslav national interests they generally follow the Soviet line. But when their national interests are involved, they act independently.

Thus, Yugoslavia is not a member of the Warsaw military pact. What is more, because we have had the good sense to equip the Yugoslav air force, the United States and not the Soviet Union is the supplier of the spare parts and replacements.

It is asinine to call this assistance to communism. We have in fact achieved the same kind of penetration of the Communist world as Moscow has done in our world in Cuba.

Though Tito is ideologically alined against us, strategically and in the ultimate political sense he is alined with us.

When he broke with Moscow in 1948, he closed his frontier to the Communist guerrillas who were waging civil war in Greece. He made a satisfactory settlement with Italy in Trieste. And he worked out good arrangements with his neighbor Austria.

In that part of Europe of which Yugoslavia is the keystone, the imperial expansion of the Soviet Union is not only contained but is in fact rolled back.

The Senate understood this. The House, which did not understand, has sabotaged a highly successful national policy.

If the mischief cannot be undone, this country will in a fit of imbecility have wounded itself. It will have thrown away one of our most effective weapons in the cold war and it will have adopted a weapon that is designed to backfire.

For we shall be saying to the Yugoslavs and the Poles and to others who may have yearnings for freedom that they have no future with the West and that they had better come to terms with Moscow.

Mr. MORSE. Mr. President, let me say to the chairman that in my many years of service in the Senate we have from time to time participated in the making of legislative history on the floor of the Senate with regard to many subjects. Sometimes it has been with respect to cherries. Sometimes it has been with respect to the lumber industry in my State. Sometimes it has been with respect to the merchant marine as it affects my State.

I want the Senator from Virginia to know, in behalf of the people of my State, that we appreciate very much the cooperation that he has always extended to our State through our Senators in making these records of legislative history.

As he will recall, when the bill was before the Senate for consideration we made legislative history with regard to section 353, which has been dropped from the bill. That history, had the section remained in the bill, would have been vital to a subsequent interpretation of the section either by the Tariff Commission and by the President and possibly the courts in case it ever reached the courts.

I have always had the greatest pleasure in cooperating with the Senator from Virginia on any matter on which I could be of assistance. In fact, I am sometimes amused when I pick up a newspaper and read that a journalist or columnist has written, "How can HARRY BYRD and WAYNE MORSE be in the same party?"

The trouble with such an uninformed journalist is that he does not understand one of the underlying tenets of our political philosophy, which is identical. We both know that there can be no political freedom in this country for future generations unless we preserve economic freedom. The Senator from Virginia and the Senator from Oregon may follow different avenues and sometimes different value judgments in seeking to preserve economic freedom, but both of us recognize that we have an obligation to keep the economy of our country strong, because without it there can be no political freedom for our great-grandchildren.

Therefore I express my appreciation to the senior Senator from Virginia for the wonderful help he has been to me during my 18 years of service in the Senate. I have a few questions that I should like to ask him, in order to help make legislative history.

When the trade bill was before the Senate, the chairman of the Committee on Finance discussed with me the question of whether the legislation provides the lumber industry with an adequate opportunity to receive consideration for protection from imports of lumber.

As the Senator from Virginia knows, the lumber industry in the Pacific Northwest is in very critical condition. It is in critical condition because we are being hard pressed by competition from Canada. It is competition which involves subsidies, direct and indirect, by the Canadian Government to the Canadian mills. We seek only an equal opportunity to compete with the Canadian mills for the American market. We are not seeking any advantage, and we are not involving ourselves in any discussion of competition for lumber markets outside the United States. However, this industry deserves those protections and procedures which will give our lumber operators an opportunity to compete on an equal basis with the Canadian mills.

As the Senator knows, our colleagues from the South in the Senate tell us that they too are beginning to feel the pinch of this competition from abroad.

With that as my major premise, I should like to ask the Senator the following questions:

First, with the conference report before us, I know that some changes have been made, and today I seek to ascertain whether in the judgment of the chairman of the Committee on Finance the legislation now before us provides essentially the same protection as would have been provided by the Senate-passed bill.

Mr. BYRD of Virginia. I thank the Senator for his kind references to the chairman of the Committee on Finance.

My answer to the senior Senator from Oregon is that this legislation does provide adequate means for protection wherever the facts warrant such action.

As the senior Senator from Oregon knows, it is the purpose of this legislation to have the Government provide equal protection to each and every industry which believes that it is being hurt by imports. The whole purpose of the trade legislation is to prescribe the machinery which is equally available to every segment of our free enterprise system, so that it may present its case as to the effect of trade. The bill provides this machinery for use not only by management, but also by labor.

Mr. MORSE. I thank the Senator. I would like the chairman of the committee to advise me as to the effect of the elimination of section 353 in the conference.

Mr. BYRD of Virginia. Section 353 proposed to give the President unlimited and undefined power to impose tariffs and quotas in any situation where he thought the Nation's interest required. After an affirmative finding by the Tariff Commission, the President already has authority to impose quotas and tariffs, but other sections of this legislation spell out the limitations upon this authority. The other thing that section 353 appeared to do was to let the President decide what was in the national interest without setting out any standards. The whole concept of our trade program is that through an orderly procedure, facts are presented and judgments are made upon those facts. While the facts may show some measure of injury, the President is not bound by the recommendations made to him by the Tariff Commission, nor is the Congress bound by the decision made by the President. Each may look at the facts and reach a conclusion, and this conclusion involved a consideration of the national interest. Section 353 was a sword which could cut two ways: First, one problem was that there was no procedure prescribed for ascertaining the facts and, second, the other problem was that the Congress did not retain the same opportunity for review as the other sections of the bill provide.

The bill, as it came from conference, contains several substantial provisions which can be extremely beneficial to the lumber industry which the senior Senator from Oregon has been so diligent in assisting.

Mr. MORSE. Will the senior Senator from Virginia set forth for me the opportunities that this legislation contains?

Mr. BYRD of Virginia. In response to my colleague from Oregon, I would say that there are four key things to this bill:

First. We provided that any action now pending before the Tariff Commission, and this includes the lumber industry matter, would be continued.

Second. The proposed legislation would permit the Tariff Commission to recommend, and the President to act, so as to provide a tariff on lumber 50 percent higher than the tariff that was in effect in 1934.

Third. Section 252 contains authority for the President to act in situations like those which now exist in relation to Canada. As the senior Senator from Oregon knows, Canada has increased her duties on a number of items which we export to Canada. Lumber was not included in those increases; however, the increases have posed problems for other industries. This entire question involves Canada's compliance with agreements reached under GATT, and this entire subject will be reviewed in the October GATT conference. Section 252 strengthens the President's authority here.

Fourth. Also, the committee added section 352 which provides for the President to enter into orderly marketing agreements with other nations in lieu of the imposition of tariffs and quotas. This provision should be of great value in the situation facing the domestic lumber industry.

Mr. MORSE. I thank the Senator from Virginia. I proceed to my fourth question: How may the lumber industry avail itself of the opportunity in section 352?

Mr. BYRD of Virginia. The lumber industry or any other industry must establish before the Tariff Commission that it has a case. This is of prime importance because the entire concept of the trade bill is that we will move toward the elimination of trade barriers on a mutually beneficial basis. Thus, the lumber industry must present its case completely and factually to the Tariff Commission. If the facts are strong enough to obtain an affirmative finding, then the President may impose a tariff and quota, employ the alternative of the marketing agreement in section 352, utilize chapters 2 and 3 of the bill or apply a combination of these actions. It seems to me that the lumber industry should be extremely pleased with this trade bill because it does afford opportunities for a sound adjustment of any real problem that it may have.

As the senior Senator from Oregon has earlier explained to me in our discussion off the floor, the administration has taken a number of steps on the domestic front, as has the Congress, all of which have been beneficial to the domestic lumber situation.

Mr. MORSE. I thank the Senator from Virginia. My final question to the chairman is to seek his advice as to the action that Congress might contemplate, should the Tariff Commission delay too long on the request of the lumber industry for relief.

Mr. BYRD of Virginia. I am quite confident that the Senators from the West, where the lumber industry is of such large dimensions, and the Senators from the South, where this industry is

also most important, may desire to address themselves to this question when the Congress reconvenes in January, should it be necessary. Certainly, we would require that the facts be before us before we acted, for, as the senior Senator from Oregon knows, it has been quite unusual for the Congress to do something which both the Tariff Commission and the President have refrained from doing. Again, I would point out to my colleague from Oregon that a successful conclusion to the request by the lumber industry for assistance and relief, actually now rests in the hands of this industry. In fact, it has always rested in their hands because the machinery of the trade law has always been open to them. What we have done this year is to open up new ways to solve difficult economic problems which sometimes occur in the field of trade.

Mr. MORSE. I thank the distinguished Senator from Virginia, the chairman of the Committee on Finance, for his judgment and cooperation. He has a long experience and great knowledge in the field of trade legislation. He is noted for his independent judgment. In my opinion, adequate facts have been developed to convince me that action is necessary.

I am most pleased by the Senator's description of what can be done under section 352 of the bill and I take judicial note of the individual and group benefits available under chapters 2 and 3 of the bill. I hope that the lumber industry will take notice of what the Senator from Virginia has said about what may be done when Congress returns in January. I serve notice that I shall review this situation and determine upon a course of action based upon the record that has been made before the Tariff Commission and the judgments which I hope both the Commission and the President may have made by then. I hope that in the light of the description of the benefits to be expected from the trade bill, which the Senator from Virginia has so capably outlined, the administration will have taken proper action on the major aspect of the situation facing the lumber industry.

Mr. President, that concludes my colloquy with the Senator from Virginia. However, I desire to speak in my own right, when I can obtain the floor, if no other Senator wishes to ask questions of the Senator from Virginia at this time.

Mr. President, I seek recognition.

The PRESIDING OFFICER. The Chair recognizes the Senator from Oregon.

Mr. MORSE. Mr. President, I ask unanimous consent to have printed at this point in the RECORD an article entitled "Reedsport Ply Plant Up; Sawmill Down," and published in the September issue of Western Timber Industry.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

REEDSPORT PLY PLANT UP; SAWMILL DOWN

REEDSPORT, OREG.—Typifying the trend of the Pacific Northwest wood converting industry was the recent announcement that the U.S. Plywood Corp. will shut down its sawmill at Reedsport indefinitely, but will build a major addition to its plywood plant there.

Loss of employment at the lumber operation will be 18, but gain in the plywood end will be 70. Total plywood payroll will jump to $1 million for 150 employees.

A layup operation will supplement the present green veneer plant.

Some 70,000 square feet of additional plant space will be needed, Marshall Leeper, Eugene, U.S. Ply vice president, reported. Production will be about 80 million square feet annually. Additional investment is estimated at $1.5 million.

L. James Bagley has been named manager of the Reedsport facilities of U.S. Ply. He had been Oregon division logging and timber manager. Clarence Stevens will manage the plywood plant.

U.S. Ply's Oregon softwood plywood production will rise to more than 700 million square feet when the plan is finished.

Mr. MORSE. Mr. President, the article points out the type of change which sometimes occurs in the complex forest products industry. U.S. Plywood will shut down a sawmill, dropping 18 jobs at Reedsport, but the plywood end of the Reedsport plant will increase by 70 employees, a net gain of 52 employees for Reedsport, Oreg.

However, a straight lumber mill cannot always make this type of shift, and in the face of Canadian lumber competition cannot survive.

U.S. Plywood is a giant concern, having good financial backing. It is the small and medium mills, which are not diversified, that are being hurt, and it is this type of operation which needs the various aids and the type of assistance which can flow from chapters 2 and 3 of the trade bill; from section 352, relating to marketing agreements; and from the tariff and quota sections.

Mr. President, before the vote on the conference report, I owe it to the people of my State and to the lumber industry of my State to make the record which I now propose to make for the next few minutes, in a speech that I shall entitle "Lumber Policy."

LUMBER POLICY

Mr. President, I have recently talked with a considerable number of representatives of the lumber industry. I would be less than honest if I did not report to the Senate there are many who are not very happy with the trade bill, because they believe they suffered a very severe blow when section 353 was dropped in conference. I have spoken with the Senator from Virginia [Mr. BYRD], and there is no question that the Senate conferees sought to retain section 353 in the conference report. I have also spoken with the Senator from Oklahoma [Mr. KERR], the Senator from Louisiana [Mr. LONG], and the Senator from Florida [Mr. SMATHERS], who were other conferees on the bill. They assured me that they desired to retain section 353 in the bill.

I would also be less than honest if I did not say, for the legislative record, that each of the Senators to whom I have referred said he was satisfied that the bill provides much to protect the lumber industry. All of these distinguished men in the field of trade emphasize again and again that if the lumber industry will make use of the provisions of the bill, if they will make a good factual case, they will find instruments or tools in this bill which can be used to assist them in solving the trade problems of the lumber industry.

These Senators also point out what has been done by the White House lumber program of July 26. They said they had no doubt that the President was determined to make certain that his recommendations of July 26, which have become known as the White House lumber program, will be carried out by a determined President.

They also pointed out to me that the changes which have already taken place in regard to the procedures and policies of the Forest Service ought to be recognized by the lumber industry as being of great value to the industry, because great progress has been made toward trying to provide some governmental relief from the economic problems of the lumber industry.

I do not deny any of the points raised by those Senators, but the proof of any pudding is in its eating. The proof as to whether the lumber industry will be able to overcome the economic crisis which confronts it will be determined by the action which it takes and which the Government will take in the weeks and months ahead to assist an industry which is so sorely hurt economically.

Oregon is dependent upon the economy of the lumber industry—as is the State of Washington. Although the Senator from Washington [Mr. MAGNUSON], with whom I have worked very closely in regard to lumber problems, is not present this afternoon, I speak in his behalf; and I can assure the Senate that the other Senators from the Pacific Northwest have expressed the same concern that I do over the crisis in the lumber industry.

Mr. President, over the last several months, I—along with other Northwestern Senators—have devoted a great deal of time to improving the situation of our domestic lumber industry. This Congress is nearing the end of its session, and the adoption of the conference report on the trade bill represents one of the last milestones in a record of considerable accomplishments.

I recognize that the lumber industry is disappointed that the conferees did not accept section 353 of the trade bill. Considered alone, the loss of this section might seem of consequence. However, I shall proceed to point out that under the provisions of present law which are contained in the trade bill and because of the new provisions written into the trade bill, plus—in total—some 18 actions which have been taken either by the administration, the Senate, the House, or both bodies, the result is a substantial opportunity for the lumber industry to achieve a better economic situation.

Because of the point I have just mentioned, Mr. President, I have decided to vote this afternoon for adoption of the conference report. As is well known, there was a time when it was my position that unless the trade bill gave the lumber industry clear assurance that it contained adequate protective mechanisms, it would be neces-

sary for me to vote against the measure. I said that I did not intend to vote for the bill if it would result in the exportation of jobs to Canada.

Mr. President, I would not vote today for adoption of the conference report if I felt that the trade program covered by this measure would result in the exportation of jobs to Canada.

As I have said, I have been in conference with some of the lumber industry leaders, and I have discussed with them the position I would take on this measure. I have taken the position—and, so far as I know, all of those with whom I conferred shared my point of view—that because of the assurance given me by the Senator from Virginia [Mr. BYRD]—and he gave it to me just a moment ago—and because of my conviction that the program will be carried out in accordance with that assurance, I felt that I owed it to the lumber industry and to Oregon and to the Nation to support the President by voting in favor of adoption of the conference report.

I also said frankly to the representatives of the lumber industry with whom I conferred that I thought I would be in a better position to be of assistance to them in the future if I voted for the conference report, rather than if I voted against it. By voting in favor of adoption of the conference report, I pledge myself to be of assistance to the President in connection with the program to be established under the bill; and after having voted for adoption of the conference report, I shall be in a better position to help with the working out of the program to be developed in line with the President's conference on July 26.

I would be the first to admit that one of the accomplishments which we set as a goal has not been achieved. One of these is the amendment to the Jones Act; and this failed of accomplishment, not because there was any lack of diligence upon the part of Northwest Senators, but because the industry itself was split, with the Southern segment opposing the proposed legislation which we put forward.

In the light of this circumstance, the Senator from Washington (Mr. MAGNUSON) concluded that the Southern industry should have an opportunity for hearings this fall, and thus has refrained from bringing to a vote the proposed legislation to amend the Jones Act. We shall look at this matter again in January. On every other front, however, progress has been made. Therefore, I want to take this opportunity to try to place in perspective not only what has been done, but also what must still be done. In doing so, I wish to emphasize the point made by the Senator from Virginia in one colloquy that the industry itself has an obligation and a responsibility which it must meet.

We have provided a great number of tools which will enable the lumber industry to carve out within the framework of free-enterprise economy, solutions to the problems which confront it.

Mr. President, Mr. Mortimer B. Doyle, of the National Lumber Manufacturers Association, has sent to me and to other Senators a telegram reading as follows:

Deletion of section 353 from the foreign trade bill in conference is being construed as completely negating assurances given the American lumber industry during a colloquy among Senators MORSE, MAGNUSON, and others on the floor of the Senate September 18, concerning domestic lumber industry problems of ever-increasing Canadian lumber imports.

On the advice of the President of the United States and Members of Congress, lumbermen have sought relief through the Tariff Commission proceeding due to start October 2.

Under the proposed law which will, presumably, be in force at the time of the Commission finding, no tariff to provide effective relief can be recommended despite the merits of the lumber industry case.

The compromise trade bill as changed in conference would remove the power of the President to raise tariffs beyond 50 percent above the specific duties of July 1, 1934. Inflation has destroyed the effectiveness of those duties. The Senate received assurances, on the floor of the Senate from the chairman of the conference, that this inequity, of particular significance to the lumber industry now in disastrous economic condition, could be corrected by section 353, which the conference committee has now eliminated.

The lumber industry seeks justice for 361,000 workers and urgently requests that the foreign trade bill either be returned to conference for restoration of section 353, that a compromise to offset inflation as in present law be arrived at, or that special legislation be passed to enable the Tariff Commission to deal with the lumber relief proceeding under present law.

Mr. President, if I thought he was correct, I would vote to return the trade bill to conference.

As the Senator from Virginia has confirmed, the action of the conferees in no way negates assurances given Northwest Senators as to the effect of the trade bill on the ability of the lumber industry to get a just and fair solution to real problems.

I think Mr. Doyle performed a service for the Senators from the States in the Northwest by sending us the telegram I have just read into the RECORD, because the telegram led to a discussion among the Northwest delegation. It produced the constructive colloquy between myself and the Senator from Virginia, which made the legislative history on this bill. So I express my very deep appreciation to Mr. Doyle and his associates for their cooperation with the delegations from the Northwest as we have worked out, together, the best possible solutions which can be obtained under the conference report for relief for the lumber industry.

The acceptance of Section 353 by the conference would not have automatically directed the President to grant relief to the lumber industry from Canadian lumber without a finding of fact as to the national interest. Without facts, no President is going to determine the course where the nationl interest leads; and under Section 353, it is certain that the President would have elected to get the facts from the Tariff Commission—perhaps on an abbreviated basis. The loss of Section 353 is not a critical loss, although I would prefer that it had not been eliminated from the bill.

The President did not want this section in the bill; and, under this circumstance, it is unlikely that he would have used it. The President still would have had discretion under the Act and the Senator from Virginia has already discussed the practical situation the conferees faced.

For the information of Mr. Doyle and his associates in the lumber industry. I wish to say that I found this bit of information after I last talked with them. I checked with advisers to the administration and I found that opposition to section 353 existed within the administration, particularly within the Department of Commerce. I know that my constituents within the lumber industry are realists. They appreciate the fact that if those to whom we look to for assistance and cooperation in connection with solution of the problems of the lumber industry should be opposed to some particularly discretionary procedure, Senators from the Pacific Northwest States and the Members of the House of Representatives from the Pacific Northwest States would not be in a very strong bargaining position, in asking the administration to assist us with other problems, if we, in turn, opposed the President in a decision which it had reached in regard to section 353, once section 353 was eliminated from the bill.

The lumber industry is now in the midst of its hearings before the Tariff Commission. Even had section 353 been retained commonsense dictates that the President would have let the lumber hearings run their course and the Tariff Commission make a recommendation. Prudence and wisdom would have called for this course, especially if the first application of the policy contemplated by section 353 involved an industry presently before the Tariff Commission.

In addition to the question of speed, there is the even more impelling aspect of the President's determination of what measures fall within the definition of national interest, as contemplated in section 353. As the Senator from Virginia so well pointed out, the vagueness of the term and the lack of a standard caused the President to object to this section. In my judgment, however, the national interest now calls for action on Canadian lumber, but I can see where reasonable men might differ on both the type and approach. I am confident that the President would willingly apply section 352 and develop an orderly marketing agreement with Canada on lumber. I am equally confident that if the industry makes a good case which leads to an affirmative recommendation by the Tariff Commission, the President will present Canada with a choice—tariffs and quotas or cooperation on a marketing agreement on lumber.

All that section 353 would have brought to the industry at this point would be the opportunity for the President to place a higher tariff on Canadian lumber than is possible under existing law.

Later, I shall develop the positive steps available in this bill which can be taken by the lumber industry.

The National Lumber Manufacturers Association contends that "no tariff to

provide effective relief can be recommended despite the merits of the lumber industry case." I do not think the picture is this black—nor does the chairman of the Committee on Finance. In our colloquy on September 18, we developed the facts on the maximum tariff that could be imposed on Canadian lumber. The NLMA contends the bill would eliminate the power of the President to raise tariffs beyond 50 percent above the specific duties of July 1, 1934. The duties on lumber were $4 per thousand board feet on that date and these could be raised today to $6. This power is not removed or changed. Lumber is subject to duty.

I am presenting the material in this form, setting forth the contentions of the National Lumber Manufacturers Association and the response to them, because I think that is the best service I can render to the lumber interests. We have taken the points raised by the National Lumber Manufacturers Association in regard to section 353, as well as other parts of the bill, and we have obtained from the administration the basis for its objections to the arguments of the National Lumber Manufacturers Association and other lumbermen in support of section 353. I am setting those arguments out now because we must face the fact that the position of the administration is a reality. It is now an after-the-fact matter. We must move on from here, for if we just look back we will not attain our goal. I want the RECORD to show that I have placed the administration's position in the RECORD in answer to each of our objections to the elimination of section 353.

So that there may be no question of doubt, let me make very clear that I think it would have been much better to leave section 353 in the bill, but as a Senator representing my State, whose duty it is to do everything he can for the legitimate economic rights of the lumber industry in his State, I am confronted with the fact that we must move from here. Where do we go from here? I think the first thing is to make clear what the administration's objections to section 353 were and are, and to make some suggestions, before I close, about the relief I believe can be given to the industry.

The Internal Revenue Service has held that lumber was on the free list in 1930, and the import tax is a duty. Lumber thus is dutiable. The Tariff Classification Act changes import taxes to duties.

The contention of the lumber industry that effective relief will be denied is erroneous. Certainly, section 353 would have taken away the tariff level ceiling, but I am confident that, given the choice between a $6 tariff on every thousand board feet imported and a marketing agreement under section 352, Canadian lumbermen would be found eager to agree to the type of solution suggested by our lumbermen last spring, in the conference with the Secretary of Commerce, Mr. Luther Hodges.

Now, let us take a look at the relief sought then by the lumber industry. They suggested that an amount of Canadian lumber equal to 10 percent of domestic production be permitted to enter duty free and thereafter a 10-percent tariff be applied. If this had been in effect last year, when domestic softwood production was about 27 billion board feet, 2.7 billion board feet would have come in duty free from Canada, and 1.2 billion board feet would have carried a 10-percent duty, or an effective duty on the entire imported volume of about 3 percent.

Last year the value of lumber imported was about $250 million, and a $6 tariff on the 3.9 billion feet imported would have totaled $23,500,000, or an effective duty rate of about 9 percent. This rate would have been almost three times greater than the effective tariff under the lumber industry's proposal. It is true that, adjusted to the change in values that has occurred since 1938, a $6 tariff today is not comparable to the $4 tariff that then existed. However, this $6 tariff is greater than the industry proposal of last spring. Not only is this true, but both the present and proposed law contain the authority for the President to place a complete quota on Canadian lumber.

I think it clear that the lumber industry proposal, and the relief they seek before the Tariff Commission, is based upon a reasonable effort to reconcile their problems with Canada. They seek to equalize competition not to destroy it—nor to disrupt Canada.

The problem that the lumber industry must meet and solve, whether section 353 is in or out of the trade bill, remains the same. They must marshal their facts to show injury. This is the crux of the situation, and this is why it is imperative that a full case be made before the Tariff Commission.

What we have done for this industry in the trade bill so far is considerable and constructive.

First. The criteria to be taken into account by the Tariff Commission have been preserved.

Second. Duty levels of $6 per thousand feet are available for the President to apply should the facts warrant, and these are three times greater than the industry itself has requested. The President may place a complete quota on imported lumber, also, should the facts before the Commission so warrant.

Third. Section 252 gives the President authority to deal directly with the type of situation we have with Canada should he find that their import restrictions impair the value of tariff commitments made to the United States, unjustly oppress the commerce of the United States, or prevent the expansion of trade on a mutually advantageous basis. Here the problem will also be squarely before GATT in October, because Canada's actions on its import duties have wide international trade ramifications.

Fourth. Section 352 provides for the development of orderly marketing agreements, including the most valuable tool for offering Canada a choice between a tariff and quota restriction on her lumber, and a cooperative agreement to limit exports along lines earlier suggested by the NLMA itself. Here I refer to their proposal for a tariff of 10 percent to be effective after imports reach 10 percent of domestic production.

In using this section, the procedures of either section 301 or 351 must be applied. However, the industry is now before the Commission on this basis. Thus under section 352, a new avenue is open and possible under this bill.

Finally, chapters 2 and 3 of the bill set forth machinery for industrywide assistance to labor and management as well as for individual petitions by concerns or workers. On this latter point I take particular notice of the fact that even should the Tariff Commission not make an affirmative recommendation on the overall lumber case, individual firms can petition for relief.

I urge each association to alert its members to the provisions of this section. This will be useful in an overall finding of injury or in its absence. I pledge to every firm in Oregon my assistance in getting just relief for their individual situation.

These five positive accomplishments in the trade bill offer a real opportunity for constructive solutions to a difficult situation.

I am concerned that industry spokesmen have believed that the trade bill threatened their opportunity to obtain relief. The record does not bear this out. The trade bill has protected and broadened the lumber industry's ability to obtain relief.

Therefore I am doing the best I can to make an evaluation of every provision of the bill. I think we can make use of it in seeking to protect the economic rights of the lumber industry, and we must be prepared to use every avenue for relief.

Instead of claiming at each step of this bill that mortal wounds have been inflicted, I have an obligation to follow where the facts lead. If I did not carefully follow this course I would not be properly serving the thousands of lumber workers, thousands of stockholders in lumber firms, and thousands of small businesses in the lumber-dependent communities of my State. I know the industry's situation is severe and I know that facts are with us. I do not intend to have this industry denied consideration nor unduly delayed in its quest for relief. I want to make certain that all in the industry have the facts so that they can act.

Difficult economic situations are not solved in an emotional atmosphere. I think we have to look coolly at what has been done and what still can be done.

In addition to the trade bill, which gives a real opportunity for the industry to get its house in order, the Kennedy administration has embarked on a most constructive course which has already and will substantially benefit this industry.

On July 26, the President set into full motion the program well underway since his 1961 message to the Congress on conservation.

These steps include:

First. Constructive talks with Canada during September, which pave the way toward the type of solution which will

be possible under section 352—a marketing agreement on lumber.

A good case of facts by the industry before the Tariff Commission is essential to obtain Presidential application of this provision, just as it is essential to getting the more drastic tariff and quota established.

Second. Forest road and trail authorizations for the 3 years, 1963–65, will total $215 million. Taken together with special forest access funds, 10-percent funds plus funds available to the Department of Interior, which for forest roads are some $25 million, the total is over $270 million. This is double the amount of the previous 3 years.

The Canadian lumber industry must bear the entire burden for forest road construction. Here our Federal Government correctly meets an obligation.

The cost of the road is recaptured from the timber sold and the working capital needs of many timber operators are reduced below those required in a comparable Canadian timber sale.

Third. Where timber purchasers must construct access roads, the SBA has developed, in cooperation with the Forest Service and the Bureau of Land Management, a program of loans which will help finance this construction in a manner which will reduce working capital needs.

Fourth. Allowable timber harvests on the forests of the Department of the Interior have been substantially increased. In the national forests, increases have been made in the past, and new increases are scheduled for October 15, 1962.

Fifth. Domestic lumber has been given a preference when purchased by the Government.

Sixth. The FHA has reviewed the characteristics of Canadian lumber and determined that in at least one case there is a question of whether it meets strength requirements which enable it to properly compete with other U.S. lumber of similar dimensions.

Mr. President, in my colloquy with the Senator from Virginia a few moments ago he pointed out that, come January, we shall be in a position to offer whatever legislative proposals may be necessary to give to the lumber industry the protection the facts show it needs, and in case the administration has not acted in the meantime.

I have heretofore said, but I reiterate today, that if we cannot get the protection for our lumber industry that it justly deserves, next January I shall introduce a series of bills aimed at protecting the lumber industry. One of them will deal with the matter of the FHA financed homes. While the trade experts say that a proposal that FHA loans require the use of American lumber for FHA financed housing would place us in violation of our trade agreements, I am confident that we could work out a legislative solution.

I hope that we shall not have to come to that kind of legislation, although I shall not hesitate to introduce it.

If the Canadian Government is not cooperative in arriving at a voluntary marketing agreement with us, I shall not hesitate to introduce such proposed legislation.

That is only one of the pieces of legislation seeking to protect the lumber industry which I shall introduce come January.

Another one of the bills I shall give consideration to introducing come January, if it becomes necessary, is a bill which would involve the imposition of lumber grade, strength, and marking standards on imported lumber, so as to give to American consumers an absolute assurance that the standards for imported lumber are equal to the standards for American-produced lumber. I also believe that we should consider requiring that Canada's producers show proportionately in the wood promotion program. Actually if this could be done and a marketing agreement reached, I think both the U.S. and Canada's producers, wholesalers, retailers, and the wood users would benefit.

Seventh. SBA and the Area Redevelopment Administration have underway an intensified program of loans to help small businesses upgrade their production and thus better compete with imported lumber products.

Eighth. On September 14 in Portland, Oreg., Secretary Freeman announced several substantial revisions in policy. These include elevation of the Forest Resource Advisory Committee to a broadly representative secretarial board, as well as a review of timber contracts and appeals procedure. I am particularly pleased with this step because it is the exact recommendation I made to the President on July 26.

Ninth. The Forest Service appraised timber prices have been reduced 30 percent over the last 3 years, following market trends. New procedures for appraisal have been placed in effect to more fairly write off road costs and properly price low value species.

Tenth. The Forest Service timber sales in the three major western regions reached record levels in fiscal year 1962. Region 6, covering Oregon and Washington, sold 4.8 billion board feet. Region 1, covering Idaho and Montana, sold almost 1.5 billion board feet. Region 5, covering California, sold over 1.6 million board feet.

Eleventh. The Bureau of Land Management has liberalized its schedule of timber sale payments and made other changes which eliminate onerous requirements which previously were placed on timber contractors to perform such functions as line surveys.

Twelfth. The Treasury Department revised depreciation schedules this summer for the first time in years. Tax savings to the forest industries here will total over $25 million a year and American firms have been placed item by item in as good or on a better position than Canadian producers.

Thirteenth. The new tax bill's investment credit provision will be of benefit to the lumber industry in its efforts to modernize its equipment and machinery.

Fourteenth. The trade bill itself, with its five important provisions beneficial to the lumber industry will provide answers for trade expansion as well as proper protection.

Fifteenth. The public works acceleration bill provides an opportunity to advance forestry and conservation work on the national forests and national land reserve including road construction, reforestation, and other programs vital to timber use and protection.

Sixteenth. The Department of Commerce has developed assistance programs for the lumber industry to aid it in sending trade missions abroad.

Seventeenth. S. 3517, already passed by the Senate, would allow 50 percent of lumber and forest products duty collections to be made available for product marketing and research.

Eighteenth. H.R. 12688, now before the President, will expand forest research at State colleges and universities including research in forest management protection and utilization.

This is a most substantial and encouraging 18-point record.

My judgment on the attitude which we must all take is very well expressed by an editorial in the September 1962, issue of Western Timber Industry entitled "Fulminating Futile." I ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From Western Timber Industry, September 1962]

FULMINATING FUTILE

We can only regard as hopelessly irresponsible the comments to the effect that the U.S. lumber industry may be "forced to engage in a general anti-Canada campaign" which were attributed to Henry Bahr, a vice president of the National Lumber Manufacturers Association.

He was quoted as storming that "For years we have tried to maintain peaceful relations with the Canadian lumber industry, but if we get no cooperation here we may be forced to use every political pressure possible to defeat U.S. policies that may be favorable to Canada."

He further fulminated, "If the Canadian lumbermen want a cooling-off period to give them more time to increase their exports to the United States, then of course we won't agree."

Frankly, we feel that this kind of temper tantrum has no place on the lips of a high official of a responsible national industry association. There has been too much blowing of battle trumpets and neighing of war horses already—and from both sides of the border.

There is a serious problem. The increase in imports from British Columbia is wrenching the Pacific Northwest lumber industry painfully. But those who quit using reason and resort to diatribes to find solutions abdicate the title of "reasonable men." United States and Canadian citizens have too much common heritage and common future to fal lout like feudal barons.

Mr. MORSE. Mr. President, I say most sincerely and frankly, that I always give most careful consideration to the views expressed by competent people in my State. If we set our sights correctly and chart our course with wisdom we can make real progress.

We have moved forward. We shall move forward even more. The rate of progress and the type of progress will

depend upon constructive suggestions, capably developed, carefully weighed, well documented and fairly presented. We must follow this cause, but we must not shring from frank and full expression for individual views.

I do not want the Federal Government to become so heavily injected into the affairs of any private enterprise that for all practical purposes it will "run" the business.

The responsibility of the Federal Government is to create an economic climate which will assure the growth of free enterprise. That is what I meant when I referred to the basic tenet which the Senator from Virginia and the senior Senator from Oregon share; namely, that only to the extent we strengthen economic and individual freedom in this country shall we give assurance of the perpetuation of political freedom. I think we must apply this principle or tenet to individual issues as they arise. The tenet is before us in connection with the lumber industry.

I shall support the Government going as far as is necessary to protect the lumber industry against unfair competition from Canadian or other foreign imports. I shall also stand on guard against any attempt on the part of the Federal Government to so intervene in the operation of the lumber industry as to jeopardize the exercise of the free enterprise system within the industry.

The Kennedy administration has tried to create a climate which will assure the growth of free enterprise. The Kennedy administration has done this. Every step it has taken for the lumber industry has been designed to aid, and in fact has aided, this industry.

No administration should "spoon feed" an industry. I therefore urge the spokesmen for lumber to recognize what has been accomplished. Even more, I urge that they fulfill their obligation to establish the facts which complete the finding of a sound solution to the lumber import problem they so well have brought to the attention of the Congress and the administration.

This has been the position of the senior Senator from Oregon from the very beginning of our hearings on the economic crisis within the lumber industry.

Several weeks ago, in the public hearings in Portland, Oreg., the senior Senator from Oregon urged the lumber industry to proceed with full speed to lay its case before the Tariff Commission. I knew them, and made clear to their representatives, that the administration was bound to be greatly influenced, and, under the law, should be greatly influenced by the facts that the industry presented, within the procedure under the trade laws, before the Tariff Commission as to the economic plight of the industry.

As we move on critical situations will require patience and a willingness to be tolerant. I close by saying this. When the Congress convenes in January, I shall be prepared to take this matter up again should the facts warrant it. I think the record shows that I have told the industry that it must take certain steps so that we in the Congress can go on in their behalf. This the industry is doing. I regret the industry delayed in making its case before the Tariff Commission. I wish this was complete because I am confident that based on the facts as I see them at this juncture, we would, today, have an overwhelming vote in the Senate for firm action. In fact, I am convinced the President would be awaiting only the signing of this bill to take the 19th step—imposing a tariff and quota, the 20th step—a marketing agreement, or the 21st step—assistance to mills and their employees.

I do not intend to look back. In January, if events have not properly restored our lumber industry, if the facts require it, I fully intend to offer additional legislative remedies strong enough to assure this restoration.

The lumber industry faces heavy competition from other products as well as from lumber from abroad. My goal is to make certain that this industry has the economic incentive and the vigor to deliver its benefits to our economy.

I think that this can be done and it will be done. There is no doubt in my mind that lumber is a basic commodity which simply cannot be beaten in the service it delivers to our economy.

In closing, I am privileged to say in behalf of the Senator from Washington [Mr. MAGNUSON] that he has given assurance to the lumber industry, and that he will stand shoulder to shoulder with me and, of course, I will continue to stand shoulder to shoulder with him. With our colleagues in the delegations from Washington and Oregon we will do what we can to see to it that the legitimate economic rights of the lumber industry are protected by whatever other governmental course of action is necessary in order to protect those rights.

Mr. President, I ask unanimous consent that pertinent portions of the testimony before the Tariff Commission by Mr. Robert Dwyer be printed in the RECORD at the conclusion of my remarks.

There being no objection the statement was ordered printed in the RECORD, as follows:

TESTIMONY OF ROBERT DWYER, COCHAIRMAN OF THE LUMBERMEN'S ECONOMIC SURVIVAL COMMITTEE BEFORE U.S. TARIFF COMMISSION ON CANADIAN LUMBER, OCTOBER 2, 1962

My name is Robert Dwyer. I am appearing today as a spokesman for the Lumbermen's Economic Survival Committee in petition for a temporary quota on the import of Canadian lumber products into this country.

I am here to plead for your action to save a capitalistic investment, to maintain something of a free enterprise system that has been attacked and partially massacred in the marketplace by a foreign operator able to produce lumber and sell that lumber in our marketplace at prices that cannot be equalled by an American producer.

In addition to an industry, a capital investment in plant and equipment and resources, I am asking this Commission to act to save the payrolls of the 200,000 sawmill workers in this country; 66,900 of those workers are in our Pacific Northwest States of Oregon, Washington, and Idaho. For without your action I am convinced a good deal of that capitalistic investment and a good number of those payrolls will vanish from the American industrial scene.

The lumber industry does not need my apologies, or a spokesman for its policies and attitudes. It has been and it is today a ruggedly, self-supporting industry that has not come to the Government in the past and isn't coming to the Government now for subsidies, handouts of any form, or special privileges. The men with whom I associate and whom I represent today have banded together under one creed and one objective—an opportunity to compete with the world on an even footing. We seek only equal competition for ourselves as well as our foreign competitors.

We have boasted, and I will again today, that given an even break, or even a tolerable handicap, our American lumber industry can compete and with profit in any market of the world, especially our own domestic market.

But what has happened? Today we are unable to compete in many markets of the world and more and more each day we are unable to compete in our own domestic market. I won't weight this testimony with figures to demonstrate how Canadian imports through the past few years have moved into and taken over some 70 percent or more of our eastern markets. I will point only briefly to the tremendous timber reserves of Canada and warn you gentlemen, as solemnly as I know how, that, without a move toward equalization, they will capture more than a mere 70 percent of our eastern market. There are men in the Canadian lumber industry even today who are projecting and spending to capture not a mere 4 or 5 billion feet of the American lumber market, but a 7- to 15-billion-foot slice of that market. And this is in the face of the fact that the American lumber market has not grown perceptibly in the past decade and isn't likely to grow in the next. It means, gentlemen, that, without the breathing spell we must have to get our domestic policies in order to create a climate of equal competition, the Canadian exporters will take over as much as half of the entire American lumber market within the next decade.

But the lumber industry's problems don't need tricky mathematics to demonstrate that they are severe and they have an industry in distress and near economic ruin.

And may I remind you or anyone else interested in the economic welfare of this country that these are not defense industry jobs—these are not pump-priming jobs created by Government spending of tax money—these are not the welfare jobs nor the bureaucratic jobs that require Government spending to exist. These jobs are the fiber—the lifeblood—of America's economy. Gentlemen, the lumber industry's loss in payrolls is a loss of a source of the profit and money that is part of the basic, backbone strength of this country's economy—the strength whereby we meet our domestic and foreign obligations. These are the tax-paying jobs of industries that contribute in an ever-expanding area from trucks and gasoline and equipment taxes to the basic payroll taxes that have built the house you and I live in today—the strength and shape and power of America.

The American people have a vital stake in the welfare of our industry beyond the direct tax dollar contribution. The American people own most of the timber in this country and it is this industry that must manufacture and market that timber before a tree, worthless deep in the forest, is worth a dime. And it is this industry, made up of many competing companies rather than a few giants able to survive economic depression of foreign competition, that must be strong to compete and bid for that timber if it is not to fall into a state where lumber is manufactured like steel with six or seven operators producing 90 percent or more of the production.

The inroads of this outside competition which we seek to have brought into equal competition with our own industry has al-

ready crippled the industry in areas like Portland, Oreg., where the Dwyer Lumber & Plywood Co. operates. Once our city had 18 huge, thriving mills with an 8-hour shift capacity of 2,245,000 feet. Now we have but four mills with a capacity of a mere 580,000 feet.

Let no one tell you this is a natural evolution, that lumber is a dying industry and that automation or any other technical development is taking away the jobs we have lost. I have listened to that rubbish right from within our own industry from men in a position to profit by a tightening of the production, in a position to profit from vast private timber reserves, from men with shipping interests or with Canadian operations of their own, from some operating as middle men who have created all of these false images to confuse and sometimes divide the industry in its fight for its economic life. This is balderdash and you and I know it! The story of the Canadian production base expansion, the story that is shown in the statements of Canadian lumber giants like MacMillan Bloedel of British Columbia, a story they spell out in their annual report to stockholders, is evidence enough that the profit and the jobs are still there in the lumber industry. But the lumber industry today is in Canada.

We are being nudged out of our market and out of our traditional business, and without this breather we are seeking from the Tariff Commission, without the time to regroup and reorganize our domestic affairs so that we can create a climate of equal competition with the Canadians, there will be a great many more of us in this industry who will go out of business.

We must pay our workers roughly 30 cents more an hour, including fringe benefits, than the Canadians pay their workers. We must pay our Government more than twice the stumpage costs of the Canadian Government. We must operate with a full-value American dollar in paying out bills, while the Canadian Government in nursemaiding its industry has created a 92-cent dollar with which their industry can operate and pay its bills.

This country was founded and its economic strength was created on the belief that a man could work, that a man with brains and ideas and initiative could create something for himself, that our people had the rights of enterprise, yet we have seen much of that eroded in the past decade or more.

We have a country that holds these things up to the rest of the world. We boast that this is a place where a man willing to work has the right and the opportunity to work.

But in exporting our markets and exporting our industrial base, we have deprived some of those Americans of the right to work just as surely as if we had legislated against them. We have given their jobs away and in doing so have deprived them of their jobs. We will continue to deprive them of even more if we do not get this petition we seek today to protect what is left of our industry.

America is not yet a socialistic state. It is a country where there is yet great strength in our willingness to compete with the world. But a devalued Canadian dollar, Canadian timber prices aimed at the sole objective of undercutting American timber prices, the creation by the United States of a merchant fleet and the maintenance of that fleet for the protection of the entire North American Continent, not the United States alone—these compounded are too big a burden to put upon the back of your lumber industry and expect it to survive.

Frankly, gentlemen, we have worked into the nights as hard as we know how to stave off this threat to an American industry. Secretary of Agriculture Orville Freeman has promised relief from the U.S. Forest Service policies that were not geared to this competitive struggle. We now have promise of a change of policy and attitude that would create the more equitable timber costs we need to compete.

Senators MAGNUSON, MORSE, NEUBERGER, and our other Northwest delegates have seen the problem and, working with the industry, they have put a wedge into our archaic domestic shipping laws in an attempt to open the door to Puerto Rico to American producers again for the first time in years. Thanks, too, to these Northwestern statesmen, there is at least token recognition by the Canadians that all has not been fair in their monetary manipulations to capture the American market.

Give this industry the time it needs to bring these factors into balance, grant this quota so that we can find the time to survive, and I promise you the American lumber industry will again stand on its own feet and contribute some of the strength this country must have to lead the world.

Deny this petition, gentlemen, and I warn you, the entire lumber industry will be denied.

I have measured the men who have fought to keep this industry alive; men who brought about this hearing today. I have watched them face up to those in their own industry who have selfish interests such as Canadian investments or vast timber holdings or shipping interests as they shrugged off our pleas for equal competition. I have watched them push for equality for all of the industry in the face of almost insurmountable opposition from sources where they should have found support. I have watched them wade into this mass of Government technicalities and legal obstacles. It was no simple matter for them to get this far.

This is their day in court. This is the moment where they seek and expect to find the protection they are entitled to—the protection they must have if they are to keep alive what they have created in industry and jobs. Deny them now and you will destroy something of this country and much of this industry.

I ask you, give us the breathing spell we need.

Give us the opportunity to compete equally in our own market.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the bill (S. 3679) authorizing an appropriation to enable the United States to extend an invitation to the Food and Agricultural Organization of the United Nations to hold a World Food Congress in the United States in 1963.

The message also announced that the House had agreed to the report of the Committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1552) to amend and supplement the laws with respect to the manufacture and distribution of drugs, and for other purposes.

The message further announced that the House had agreed to the amendments of the Senate to the bill (H.R. 8140) to strengthen the criminal laws relating to bribery, graft, and conflicts of interest, and for other purposes.

The message also announced that the House had agreed to the amendment of the Senate to each of the following bills of the House:

H.R. 10708. An act to amend section 203 of the Rural Electrification Act of 1936, as amended, with respect to communication service for the transmission of voice, sounds, signals, pictures, writing, or signs of all kinds through the use of electricity; and

H.R. 12513. An act to provide for public notice of settlements in patent interferences, and for other purposes.

The message further announced that the House receded from its disagreement to the amendments of the Senate numbered 1 and 6 to the bill (H.R. 12648) making appropriations for the Department of Agriculture and related agencies for the fiscal year ending June 30, 1963, and for other purposes, and concurred therein; that the House receded from its disagreement of the Senate numbered 2 to the bill, and concurred therein with an amendment, in which it requested the concurrence of the Senate, and that the House further insisted upon its disagreement to the amendments of the Senate numbered 19, 44, 47, 48, 49, 50, 51, 52, 53, and 54 to the bill.

INCOME TAX TREATMENT OF TERMINAL RAILROAD CORPORATIONS AND THEIR SHAREHOLDERS

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 2237, H.R. 12599.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 12599) relating to the income tax treatment of terminal railroad corporations and their shareholders.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Finance with amendments, on page 4, line 6, after the word "member", to insert "other than as a common parent corporation,"; in line 21, after "(D)", to strike out "all of the shareholders of which compute their taxable income on the basis of the same taxable year as the terminal railroad corporation." and insert "each shareholder of which computes its taxable income on the basis of a taxable year beginning or ending on the same day that the taxable year of the terminal railroad corporation begins or ends."; on page 6, after line 4, to insert:

"(e) APPLICATION TO TAXABLE YEARS ENDING BEFORE THE DATE OF ENACTMENT.—In the case of any taxable year ending before the date of the enactment of this section—

"(1) this section shall apply only to the extent that the taxpayer computed on its return, filed at or prior to the time (including extensions thereof) that the return for such taxable year was required to be filed, its taxable income in the manner described in subsection (a) in the case of a terminal railroad corporation, or in the manner described in subsection (b) in the case of a shareholder of a terminal railroad corporation; and

faltered in his faith in God and invited his guidance.

Today the words "In God we trust" reaffirm our faith. These words are placed in our confidence in God believing that those who would destroy our faith will not succeed. The are placed in the most conspicuous part of our Chamber to convey the message without fear. They are placed with pride, a dedication to duty, and with humility to prove ourselves worthy.

I am certain all will join with me in the hope and prayer that it will always be thus: "In God we trust."

PERMISSION TO SIT DURING GENERAL DEBATE

Mr. ALBERT. Mr. Speaker, I ask unanimous consent, on behalf of the gentleman from Texas [Mr. PATMAN], that Subcommittee No. 2 of the Committee on Banking and Currency may sit during general debate today.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

SEYMOUR K. OWENS

Mr. LANE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 2928 for the relief of Seymour K. Owens.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There being no objection the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of chapter 55 of title 10, United States Code, relating to medical and dental care for members and certain former members of the uniformed services and their dependents, Seymour K. Owens, of Miami, Florida, the son of the late Commander Seymour D. Owens, United States Navy, shall be held and considered to be the dependent of a former member of the uniformed services within the meaning of that term as defined in paragraph (2)(E)(ii) of section 1072 of title 10, United States Code, notwithstanding that the said Seymour K. Owens, who lost one leg below the knee prior to attaining the age of twenty-one years and who is suffering from a severe case of diabetes which was incurred prior to attaining twenty-one years, may be capable of partial self-support.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 270]

Adair	Garland	Moorehead, Ohio
Alexander	Glenn	Moulder
Alford	Gray	Norrell
Andersen, Minn.	Griffiths	O'Brien, Ill.
Anderson, Ill.	Gubser	O'Konski
Anfuso	Hall	Peterson
Ashley	Hansen	Powell
Aspinall	Harris	Quie
Baring	Harrison, Va.	Rains
Battin	Harvey, Ind.	Reece
Beckworth	Hays	Reifel
Belcher	Hébert	Rogers, Tex.
Bell	Herlong	Roosevelt
Bennett, Mich.	Hiestand	Roudebush
Berry	Hoeven	Saund
Blatnik	Hoffman, Mich.	Saylor
Blitch	Holland	Scherer
Bolling	Jones, Mo.	Scranton
Boykin	Karth	Seely-Brown
Breeding	Kearns	Shelley
Brewster	Kee	Sheppard
Bromwell	Kilburn	Shipley
Brown	King, Utah	Short
Burke, Ky.	Laird	Sibal
Chiperfield	McDonough	Siler
Clark	McDowell	Smith, Miss.
Coad	McIntire	Taber
Curtin	McMillan	Teague, Tex.
Curtis, Mass.	McSween	Thornberry
Davis, Tenn.	McVey	Ullman
Dawson	Macdonald	Van Pelt
Denton	Macgregor	Van Zandt
Dominick	Madden	Vinson
Dooley	Magnuson	Watts
Elliott	May	Weis
Evins	Michel	Whalley
Fisher	Miller, Clem.	Williams
Fogarty	Miller, George P.	Yates
Frazier	Moeller	Zelenko
Gallagher		

The SPEAKER. Three hundred and sixteen Members have answered to their names, a quorum.

By unanimous consent further proceedings under the call were dispensed with.

TRADE EXPANSION ACT OF 1962

Mr. MILLS. Mr. Speaker, I call up the conference report on the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

(For conference report and statement see proceedings of the House of October 2, 1962.)

Mr. MILLS. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, your conferees bring back to the House on this occasion a conference report on the Trade Expansion Act of 1962 that is practically identical with the bill that passed the House on June 28 last.

The basic purposes, the basic authorizations, and the basic limitations that were in the bill as it passed the House are presently contained in the conference report. There were some few changes made in the bill during its consideration by the other body. Many of those changes were eliminated. The conference report itself does involve a few changes, most of which are clarifying in nature and all of which are consistent with the provisions of the House bill.

Mr. Speaker, one of the changes made was to spell out actually what the House intended with respect to Tariff Commission pre-trade agreement procedures and advice to the President.

Another change that the conferees agreed to was with respect to the position of the Special Representative for Trade Negotiations who is to be appointed by the President and confirmed by the Senate. The change made with respect to this official was made in connection with the interdepartmental agency that we set up within the Executive Department to advise the President on trade matters, including the initial negotiation of trade agreements.

In the House bill we left to the President's discretion the naming of the person who would be chairman of this statutory interdepartmental agency. In the bill as it passed the Senate and as it is presented to you in this conference report, this chief negotiator will be the chairman of that interdepartmental agency.

In connection with the acceptance by the House conferees of this provision, it was pointed out in conference that we do not want this chief negotiator to be so overburdened with other administrative aspects of this whole program that he can not effectively act in the primary capacity that the Congress intends him to act—namely, as the chief negotiator for the United States in these agreements.

We provided for a special representative in order to make certain that negotiations under this act would be more effectively conducted than in the past. We hope that the President will extend him the maximum authority in preparing for and conducting negotiations under title II of this bill or modifying agreements.

These new responsibilities stress the fact that Congress intends that the negotiations be prepared for and carried out differently than in the past. The special representative should have at his direct disposal sufficient staff to assist him in his capacities as chief negotiator and chairman of an interagency trade organization. Staff obviously could be provided to some extent from offices in existing departments. However, the Department of State, which did the negotiating previously and which chaired the Trade Agreements Committee is the only element now within the Government that is set up to devote a major portion of its resources and time to the negotiations. It was not our intention that this group would continue its past dominant role. Rather we intend by this legislation to place the responsibility for developing the technical information required for the negotiations in the hands of the special representative. He should have line authority over the development of information within the executive branch, calling on the relevant departments for support as needed. The procedure for hearing industry and agricultural groups, called for under the bill, should also be his responsibility, as well as the assessment of findings by the Tariff Commission.

Obviously the special representative will require a staff which spends its entire time on preparations for the negotiations and for the negotiations themselves. Because of the scope of negotiations authorized by this act, these preparations will require a more extensive examination of all tariff classifications—especially since these have recently been changed—a more careful examination of industry data, and a through study of market potentials abroad so that maximum benefits can be sought.

The longrun effects of negotiations under this act are so significant that it requires the undivided attention of a group of experts to make certain that we have done the best by the U.S. economy.

One other provision that was adopted in conference would permit the President, whenever nations with which we have an agreement with respect to fish conservation, or nations which refuse to enter into such agreements, follow practices which are inimical to the interests of conservation, then the President may take action to increase tariffs on fish or fish products imported from such country.

Mr. BONNER. Mr. Speaker, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from North Carolina.

Mr. BONNER. I am glad to note that, because I have heard that the Japanese Government has not been living up to its treaty with regard to salmon fishing in some respects.

Mr. MILLS. We hope that this provision will assist the President in getting all countries to live up to their agreements fully.

Another provision was accepted by the conferees giving the President an additional tool to use in the event that there is serious injury to an American industry. You will recall the provisions on this subject in the House bill as passed. Those were all retained. This additional tool is the provision authorizing the President to negotiate orderly marketing agreements whenever some article or group of articles, such as shoes or anything of that sort, are being imported into the United States under conditions causing serious injury to an industry. This provision would authorize the President to enter into an orderly market agreement with the principal supplying country to limit its export to the United States of the product or products involved in the injury determination. Authority is given the President to implement any such agreements by regulations regarding imports.

Another change, which was made and which is of significance, is the change made in connection with the allowances available to workers found to be displaced as the result of imports into the United States. You will recall that the House-passed bill made arrangement for an extended payment of these allowances until these workers could obtain some additional employment, or until they could be trained for some other employment. We provided, Mr. Speaker, as the bill passed the House, that adjustment allowances for unemployment were to be paid out of the State Unemployment Trust Fund and training allowances were to be paid out of the general funds of the Treasury.

The amendment of the other body provides that the total of these amounts are to be paid from the general funds of the Treasury rather than in part from the funds accumulated within the States for unemployment purposes.

Mr. Speaker, we discussed this approach at the time the bill was in the Ways and Means Committee. There was no objection to it in the conference. I trust that there will be no objection to it here.

Mr. Speaker, the other body receded from a number of its amendments. One of the matters on which the Senate receded has stimulated quite some discussion. I want to address myself very briefly to this point.

Mr. Speaker, perhaps for more than 100 years back in the tariff history of this country, we have followed what is known as the most-favored-nation policy. Mr. Speaker, this policy, stated simply, provides that whenever we agree with a foreign country that a product will receive a rate of duty on importation, we extend that same rate of duty to all nations of the world. That is what is called most-favored-nation treatment; we extend to all what we give to one.

Mr. Speaker, in 1951 the Congress wrote in what it thought was a complete limitation with respect to the application of most-favored-nation treatment to products of certain areas of the world. The Congress declared that products of Communist nations should be denied most-favored-nation treatment. At least, that is what the Congress thought it was doing.

In 1958, when an extension of the trade program was requested by the President—President Eisenhower—the Committee on Ways and Means, in the course of considering the proposed extension considered that the following language would, and was intended to, prevent the application of the most-favored-nation treatment to any country under the domination of international communism. I want to read to you that language, Mr. Speaker:

> As soon as practicable, the President shall take such action as is necessary to suspend, withdraw, or prevent the application of any reduction in any rate of duty, or binding of any existing customs or excise treatment, or other concession contained in any trade agreement entered into under authority of section 1351 of this title, to imports from the Union of Soviet Socialist Republics and to imports from any nation or area dominated or controlled by the foreign government or foreign organization controlling the world Communist movement.

Mr. Speaker, this language I just read led the State Department to conclude that most-favored-nation treatment should be extended to Yugoslavia. They reasoned that Yugoslavia was no longer a member of the so-called Communist bloc—they were not dominated or controlled by the world Communist movement. This language did not prevent the extension of most-favored-nation treatment to products of Yugoslavia and no one contended that it did. But, Mr. Speaker, as a result of the continuation of this authority in 1958, the then administration decided on November 16, 1960, that this language did not apply to Poland. It was decided that it was within the language for the then administration—I am talking about the Eisenhower administration—to extend most-favored-nation treatment to Poland.

The White House announced on November 16, 1960, that effective December 16, 1960, most-favored-nation treatment would be given to products of Poland.

Mr. Speaker, if anyone, whether he be a lawyer, a college graduate, a graduate of high school, or with the simple capacity to read the English language, could reach the conclusion that the application of most-favored-nation treatment to Poland is not in direct contravention of the letter of the law I just read, I shall yield to him now. Nobody can justify to me, and I do not think to himself, that there is any authority for the application of most-favored-nation treatment in Poland under that language. The grant of most-favored-nation treatment to Poland was done in contravention of the prohibition by this Congress. I do not, and will not, mince any words about it. This is another instance, Mr. Speaker, where the trade agreements programs of the past have been used for some other purposes than cold dollar trading.

When this bill was before the House in June I undertook to assure the House that this program in the future was going to be used for the economic betterment of the United States and the countries with which we enter into trade agreements, and for that purpose only. I promised that we were not going to grant to the President of the United States this kind of authority for specific, economic purposes, and have the State Department use it for some other purpose.

The Senate receded in conference from its language restoring the provision of the 1958 law, and agreed to the language of the House bill, just as it passed the House. Nobody raised any objection then. The language of the House bill says:

> As soon as practicable, the President shall take such action as is necessary to suspend, withdraw or prevent the application of any reduction in any rate of duty—

And so on, just as I read it—with respect to imports from any country or area "dominated or controlled by Communism."

The Senate receded from its position and took the language in the House-passed bill.

Mr. Speaker, a lot of people—particularly those from a certain branch of Government—tell me that this is a mistake.

In the first place, I answer them by saying that I do not think this program should have been used in this way. Somebody may be disappointed, of course, as a result of congressional action withdrawing from part of the Com-

munist world this privilege of most-favored-nation treatment.

I am not an expert on foreign affairs. I do not think I am an expert, nor do I hold myself to be an expert, on anything. But I know, Mr. Speaker, this program has been sold to the American people as being the most effective weapon that we can have and use against Communist economic penetration. I certainly agree that through the forces of beneficial and mutual trade between the Western World and the United States, we can build the economies of the Western World and the United States and thus counter Communist trade offensives.

But, Mr. Speaker, do we want the authority in the bill to be used to build the economies of part of the Communist world? I cannot avoid the logical conclusion: If the trade agreements program works with respect to our friends and accomplishes that purpose in the Western World, then it follows, does it not, that it will obtain the same purpose in the Communist world if they participate fully in this program.

Mr. Speaker, about 8 percent of the trade that Yugoslavia has with the Western World is with the United States. The three principal items of that trade are tobacco, some lead and zinc products, and furniture. I cannot get myself to see why, as we reduce duties on these or any other products, we should permit the reduced rates to apply to products coming from part of the Communist world.

I feel very strongly, Mr. Speaker, about this. I feel very strongly about this whole program. I think this program serves to build the United States and to build the nations of the Western World. Evidently the House of Representatives, when it passed this some weeks ago by an overwhelming vote, shared that same viewpoint. But, Mr. Speaker, this program, as I say, can serve that position only when it is used for pure economic trade relations. It should not, in the future, in my opinion, be used for trading for other purposes. It will not be so used under this conference report.

I think that the conferees have brought back to the House a conference report that carries out exactly what was said in the presentation of it to the House. I ask the House to adopt the report and affirm the action of your conferees. Mr. Speaker, I wish to have inserted in the RECORD at this point, a detailed statement of the conference action:

The House conferees reached agreement with the conferees of the other body on the bill H.R. 11970, the Trade Expansion Act of 1962. As the Members of the House will recall, this bill passed the House on June 29, 1962. In the CONGRESSIONAL RECORD of June 27, 1962, I inserted a detailed explanation of the provisions of the bill.

I will briefly mention the differences in the two bills and state the conference agreements on these differences. I might mention, however, that the bill which we are considering here today, in substantially all material respects, is the same as the bill which passed the House last June 28. The greater part of the changes made are technical and clerical changes to perfect the legislation.

PURPOSES

As passed by the House, H.R. 11970 provided that its purpose was to have the act used to afford mutual benefits to the United States and its trading partners. The other body specified that the benefits sought were to be "trade" benefits and the House conferees accepted this amendment as consistent with the objectives sought in the House bill. The other body also deleted two of the four specific purposes stated but the conference restored one of these specific purposes; namely, that one objective is to prevent Communist economic penetration. The deletion of the specific reference to assisting in the progress of countries in earlier stages of development was agreed to by the House conferees. The resulting statement of specific purposes is thus centered on trade and the benefits flowing therefrom.

TRADE AGREEMENT AUTHORITY

The bill as passed by the House contained special provisions concerning the European Economic Community—the Common Market—under which the President is authorized to reduce by more than 50 percent duties on certain articles. Under the amendments of the other body, these special provisions were broadened to embrace not only the Common Market countries but any of the European Free Trade Association member countries designated by the President. The Senate receded from these broadening amendments and the special provisions relate solely to the Common Market countries.

PRETRADE AGREEMENT ADVICE

The House bill provided for pretrade agreement advice to be given to the President by the Tariff Commission. The other body adopted amendments, which your House conferees accepted, which specify the purpose and nature of the advice the Commission is required to give to the President before he enters into a trade agreement.

The House bill requires the President—under certain conditions—to refrain for 4 years from negotiating lower customs treatment on any article involved in an affirmative injury finding by the Tariff Commission where escape action was not taken. The other body provided a limitation of 5 years under the same conditions. Your conferees agreed with this added safeguard period as being basically consistent with the spirit of the House bill. The provision that the President is also required to reserve from negotiation any other article he deems appropriate is retained in the bill. Under this provision, it is expected that the President might consider the reservation of articles whose particular tariff treatment is in effect pursuant to specific acts of Congress and which provide the level of tariff protection the Congress feels should be afforded in the individual cases.

COMMUNIST PRODUCTS

The House bill requires the President, as soon as practicable, to suspend, withdraw, or prevent the application of the reduction, elimination, or continuance of any existing duty or other import restriction, proclaimed in carrying out any new or past trade agreement, to products of any country or area dominated or controlled by communism. The other body restored the substance of the existing provisions of law on this point which would require such action only in the case of countries or areas dominated or controlled by the foreign government or foreign organization controlling the world Communist movement. The purpose of the other body's amendment was to permit the continued extension of most-favored-nation treatment to products of Poland and Yugoslavia. The Senate receded with the result that products of any nation dominated or controlled by communism will be denied trade agreement rates of duty. The provision that the President should take the action required by this section of the bill "as soon as practicable" should be construed, in my opinion, as affording the President the discretion which he needs to determine when it is most feasible for him to comply with the requirements of this section.

SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS

The House bill provided that the special representative for trade negotiations would be the chief representative of the United States at any negotiations conducted under title II of the bill.

In addition, the House bill provided that such special representative would be an ex officio member of the Interagency Trade Organization established by section 242 of the bill and that the Chairman of that organization would be a Cabinet officer selected by the President.

The other body receded on their amendment which would have required the special representative to represent the United States only at general multilateral negotiations. While it is not contemplated that the special representative will be required to conduct personally relatively minor negotiations, your conferees insisted that it was the intention of the House that he be responsible for all negotiations conducted under title II of the bill.

UNJUSTIFIABLE FOREIGN IMPORT RESTRICTIONS

The House bill directs the President to take certain action whenever unjustifiable foreign import restrictions impair the value of tariff commitments made to the United States. The other body receded from its amendment which would have removed the test of justification for such restrictions. The conferees agreed that if the test of justification was not permitted, the President would be required to forgo negotiating down any import restrictions even if the same were justifiable.

The other body added a third requirement of Presidential action in cases where unjustifiable foreign import restrictions have one or more certain stated effects. The conference agreement requires the President—notwithstanding any provision of any trade agreement under the bill—to impose duties or other import restrictions—e.g., quotas—on the products of any country establishing or maintaining import restrictions de-

scribed in section 252(a) against U.S. agricultural products, to the extent he deems such action necessary and appropriate to prevent the establishment of, or to bring about the removal of, the foreign import restrictions concerned. Your conferees accepted this amendment as giving the President one more tool to cope with situations where foreign countries adopt measures which have an adverse impact on the United States and which are unjustifiable.

UNREASONABLE FOREIGN IMPORT RESTRICTIONS

Your conferees also accepted an amendment which permits the President to take action in cases where foreign countries maintain unreasonable import restrictions which adversely affect, either directly or indirectly, U.S. interests. The primary purpose of this amendment is to permit the President to deal with those instances where restrictions against one foreign country's products causes a diversion of the affected country's trade to U.S. markets and thereby substantially burdens U.S. commerce. Your conferees believe this provision also is consistent with the intention of the House reflected in section 252 of the bill.

INTERNATIONAL FISH CONSERVATION AGREEMENTS

The other body added an amendment to the Tariff Act of 1930 which would give the President authority to increase duties—by not more than the July 1, 1934, levels—on fish and fish products of any foreign country which refuses to engage in good faith negotiations relating to conservation and fishing policies and whose conservation practices and policies affect the interests of the United States and other countries. Your conferees accepted this amendment because it is consistent with other provisions of the bill as passed by the House.

PETITIONS FOR TARIFF RELIEF AND ADJUSTMENT ASSISTANCE

The bill as passed by the House provided that petitions for tariff relief, firm assistance, or worker assistance all require a full industrywide investigation by the Tariff Commission. Your conferees agreed to several amendments by the other body which would only require an industrywide investigation by the Tariff Commission where the same was requested. If a firm or group of workers petitions solely for individual assistance, then the Commission would only investigate the facts as to the particular firm or group of workers in question. Also, since this narrower type of investigation might not be of any interest to others, the Commission would not be required to hold public hearings unless the petitioner or other proper interested party requested the same. In industrywide investigations, public hearings are required to be held. Your conferees receded from disagreement to these amendments in the interest of relieving the Tariff Commission from the burden of making an investigation broader than the type requested. It appears that good order is served while not detracting from the safeguards established by the bill for petitioners seeking tariff relief or other assistance.

SIX MONTHS TO COMPLETE ESCAPE-CLAUSE INVESTIGATIONS

Along these same lines, your conferees agreed to allow the Tariff Commission 6 months—as in present law—within which to complete industry investigations. The House bill specified a 120-day period—subject to a Presidential extension of up to an additional 30 days. The additional 30-day period permitted under the other body's amendment should allow for fuller investigations without any undue delay in Commission decisions.

INJURY CRITERIA

Under the House bill, the Tariff Commission is required to determine whether the increased imports in question cause, or threaten to cause, serious injury in a given case. Under amendments of the other body, which your conferees accepted, the Commission's determination goes to whether the increased imports concerned were as a result "in major part" of concessions granted under trade agreements. Your conferees accepted this amendment as consistent with the intent behind the provisions of the House bill as passed. Similar amendments providing that one criterion for determining serious injury is the inability of the industry, or firm, to operate at a level of reasonable profit were accepted as fully conveying the meaning behind the provisions in question in the House bill.

Also, your conferees acceded to amendments by the other body which would require an affirmative determination of serious injury, or threat thereof, or unemployment or underemployment, as the case may be, by the Tariff Commission, whenever the Commission finds, in an appropriate investigation, that increased imports have been "the major factor" in causing, or threatening to cause, such injury or unemployment or underemployment. These amendments were accepted and they reflect the intent of the House in the bill as passed by the House.

PROCEDURES AND RULES

In order to give the interested departments and agencies of Government an opportunity to establish rules and procedures governing their respective operations, your conferees accepted an amendment by the other body which in effect stays the operation of the tariff and other adjustment features of the bill for a period of 60 days after enactment. The pending investigations which have been instituted under present law and which will be in progress on the date of enactment will be continued, without interruption, under the provisions of section 301(b) of the bill. It is contemplated that where hearings have already been held (or are in progress), new or additional hearings will not be required, unless the same are requested by the parties to a pending investigation and the Commission believes that good cause exists for new or additional hearings.

WORKER BENEFITS

Another amendment accepted by your conferees provides that if a worker receives unemployment compensation under a State law for a week in which he could have been eligible to receive a trade reimbursement allowance under this bill, then the State account in the unemployment trust fund will be reimbursed by the Federal Government. The House bill provided this reimbursement only for weeks in which the worker was in training.

An advantage of this reimbursement will be that it will be possible for the State then to avoid charging the employer with the unemployment which is found to be trade related. This unemployment then would not impair the employer's experience rating and would not serve to increase his future unemployment tax rate. The statement of managers indicates the intention of the conferees that where the States do not charge an employer with respect to reimbursed payments, those reimbursed payments should not serve to reduce the workers eligibility for unemployment insurance under the State law.

BASIC ESCAPE CLAUSE LIFE

Under the House bill, escape clause actions are to have a basic life of 4 years—either from the date of enactment or the date of the escape action, whichever is later. The other body provided for a basic life of 5 years. The conference agreement provides for a basic life of 5 years for existing escape actions and a basic life of 4 years for new escape-clause actions taken under section 351 of the bill. Again, this action of the conferees is consistent with the intent behind the House bill.

ORDERLY MARKETING AGREEMENTS

Finally, the other body adopted an amendment which authorizes the President, after receiving an affirmative injury finding from the Tariff Commission with respect to an industry, to enter into orderly marketing agreements with foreign countries limiting exports to the United States of the articles concerned. This amendment, which was accepted by your conferees, is to be another means available to the President to cope with injurious import competition and to assist U.S. producers. Your conferees believe that such agreements can serve a useful purpose in the framework of tools available to the President to remedy the injury which may be caused in a given case by imports.

TRIBUTE TO HON. WILBUR MILLS

Mr. KEOGH. Mr. Speaker, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from New York.

Mr. KEOGH. When the passage of time brings the objectivity that must follow, historians will assay the 87th Congress and will, of necessity, stress the "W. and M." of it. Some will say, Mr. Speaker, that those letters stand for "Ways and Means." But those of us privileged to serve on that committee will know, far more intimately, that they mean the gentleman from Arkansas, WILBUR MILLS, the man who has served as our chairman with the distinction, dignity, and drive that a challenging period of our history requires. And he has emerged as a great and dedicated servant of his committee and country and has by his works written pages of a history of which he can be justly

proud, and from which those privileged to serve with and under him will be able to take much comfort and inspiration.

The measure pending, which will soon finish its legislative course, is, beyond all, the most important that this or any future Congress will be called upon to enact. This is a measure greater than all the others that bear his name.

Unhampered, unfettered by artistic differences of opinion or viewpoint, the Mills—and that it is—the Mills Trade Expansion Act of 1962 will take its place with, but far above, such as the Fordney-McCumber, Smoot-Hawley, and even the Cordell Hull Reciprocal Trade Agreement Act.

Mr. Speaker, our great chairman will continue for many years to serve his country well and creditably. But were he to do no more after today, the passage of the pending bill will be forever a legislative monument that will have done more than any other to preserve the peace, insure the progress and promote the welfare of our civilization.

Mr. Speaker, the gentleman from Arkansas, Chairman MILLS, is the legislative architect in a great period of our country's history. His monuments are timeless and traditional—yet most modern and contemporary. We are fortunate that he is here and that he is "W. M."

Mr. BOGGS. Mr. Speaker, will the gentleman yield?

Mr. MILLS. I yield to the gentleman.

Mr. BOGGS. Mr. Speaker, I subscribe in full to the very generous remarks made by our distinguished colleague from New York respecting the distinguished chairman of the House Committee on Ways and Means.

This legislation, in my judgment, represents an act of economic maturity on the part of the United States of America. I think that students of our times will say that this has been, indeed, a monumental achievement.

I do not think that what we are witnessing today would have been possible without the patience, without the knowledge, without the forebearance, without the fairness, and without the great ability of the distinguished Chairman of the House Committee on Ways and Means. So I would like to join with the gentleman from New York [Mr. KEOGH] and my other colleagues in paying this very well deserved tribute to him.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. MILLS. Of course, I yield to my colleague.

Mr. ALBERT. Mr. Speaker, I want to join the distinguished and outstanding Members of the gentleman's committee in this word of tribute. The gentleman from Arkansas is one of the great legislators ever to have served in this body. Now in the closing days of this session and at the time of the enactment of the conference report and final legislative action on the trade bill, I think we can say in confidence that whatever else they say concerning the 87th Congress, they will have to say that it was this Congress under the leadership of the distinguished gentleman from Arkansas that passed the trade expansion act of 1962.

Mr. BAKER. Mr. Speaker, will the gentleman yield?

Mr. MILLS. I yield to the gentleman.

Mr. BAKER. Mr. Speaker, I desire to associate myself with the remarks of the three gentlemen who just preceded me, and to say, that as one of the conferees on this bill, the chairman of our committee, the gentleman from Arkansas, WILBUR MILLS, stood true to the trust confided in him by the House of Representatives. Our chairman has done a great job and I want to join the other gentlemen who preceded me in commending him.

Mr. THOMPSON of Texas. Mr. Speaker, will the gentleman yield?

Mr. MILLS. I yield to the gentleman.

Mr. THOMPSON of Texas. Mr. Speaker, it is well known to the Members of the House that I am a very new member of the Committee on Ways and Means. It is no secret to my close friends that I went on that committee with some misgivings because of the complicated nature of the business that is transacted in that committee. I was reassured, somewhat, by something I remember Speaker Rayburn saying, to the effect that the chairman of the Committee on Ways and Means, the gentleman from Arkansas [Mr. MILLS], could take the most complicated and complex matter of taxation or tariffs, or whatever, and make it perfectly simple, clear, and understandable. That has been proven true in the committee and it has been proven true here today.

I want to say, as a personal matter, that I particularly appreciate his patience, his willingness to explain not only in committee, but in private conference, things that have been troublesome to me. I have served under some great chairmen going back years ago to John McDuffie and Schuyler Otis Bland as well as others of considerable note. I have never served under a finer chairman nor one for whom I have greater respect. I am glad that he has explained to you the matter that he has explained today, and I think perhaps we all better understand this very complex international question.

(Mr. THOMPSON of Texas asked and was given permission to revise and extend his remarks.)

Mr. ULLMAN. Mr. Speaker, it gives me a great deal of pleasure to join with all of my colleagues in the Committee on Ways and Means and in the House in paying a well-deserved tribute to our great and distinguished chairman of the Committee on Ways and Means, the gentleman from Arkansas, the Honorable WILBUR D. MILLS, for his work on this Trade Expansion Act of 1962 and for his leadership and statesmanship throughout this Congress and past Congresses.

It has been my privilege to serve under the gentleman from Arkansas, WILBUR MILLS, on the Committee on Ways and Means for several years now and through that service I am familiar with the depth and breadth of his mind, his outstanding intellect, his sound judgment, his wisdom, and his foresight in handling legislative matters.

As I am sure all Members are aware, the Committee on Ways and Means, of which I have the honor to be a member, has had the responsibility for processing, passing upon, and recommending legislation of the most vital importance to the Nation during this session of Congress. Our great chairman has been exceedingly effective in leading the committee with respect to its decisions on these important legislative matters so that the committee has produced an exceedingly fine record of achievement in the 87th Congress.

It is an honor for me to be a member of the committee under the leadership of our admired and respected chairman, and it is a great pleasure for me to subscribe to all the other fine things which have been said about him here today.

Mr. MASON. Mr. Speaker, I have served under five different chairmen of the Ways and Means Committee during the past 16 years: Chairmen Knutson, Doughton, Reed, Cooper, and Mills; all of them capable, well-informed chairmen of that great and important committee.

I now say that in my opinion the gentleman from Arkansas, Chairman WILBUR MILLS, tops them all. He is the best informed, the most considerate, and the most patient chairman of them all. Besides that he has a better grasp and understanding of our complicated tax code, and its many inequities and flaws than any one of the four chairmen who preceded him. The gentleman from Arkansas, Chairman MILLS, is a great chairman of a great and important committee.

Mr. ALBERT. Mr. Speaker, will the gentleman yield for a consent request?

Mr. MILLS. I yield.

GENERAL LEAVE TO EXTEND

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to extend their remarks on the subject matter of the distinguished chairman of the Ways and Means Committee.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. PIRNIE. Mr. Speaker, the distinguished and beloved chairman of the Ways and Means Committee, the gentleman from Arkansas, WILBUR D. MILLS, has guided difficult and complex measures through the House in the session about to close in a manner which commends the respect of all his colleagues. His clear and concise explanations of the legislation have been marked with candor and restraint. Fair and objective in debate, he has displayed the qualities of a true statesman. We recognize and applaud his devotion to his country and his determination and ability to serve its best interests.

Mr. EDMONDSON. Mr. Speaker, I am grateful to our majority leader for this opportunity to join in well deserved tribute to a great legislator, a great chairman, and a great neighbor, the gentleman from Arkansas, the Honorable WILBUR MILLS.

The gentleman from Arkansas, Chairman MILLS, has indeed won the respect and admiration of all in this body, both for his statesmanship and for his splendid character and constant kindness and consideration to his colleagues.

We are fortunate to have a man of his stature and scholarship at the helm of the great Committee on Ways and Means, during the troubled times of today's generation.

Mr. BENNETT of Florida. Mr. Speaker, in the masses of people who make up the groups who do things for humanity, there are always a few who are really outstanding. This is true among engineers, artists, teachers, ministers, and all other groups. We speak today of a man who is really outstanding in his chosen profession as a national legislator. The gentleman from Arkansas, WILBUR MILLS, has made a mark in the history of this country for which all Americans can take pride. He brings to the workbench of his tasks his tools of absolute integrity, knowledge of the matters he handles, dedication to his country's welfare and also to the general welfare of mankind, good humor and a warm and universal talent for friendship. He finds in every man the something worthy of note; and he assists others to achieve their better capabilities. Such a man is an inspiration to us all. It is no wonder that his constitutents have sent him here for two decades of unopposed reelection, which is probably a record in the Congress of the United States.

Mr. HORAN. Mr. Speaker, I, too, want to be associated with those who have expressed their appreciation of the gentleman from Arkansas, WILBUR MILLS, as he heads the Committee on Ways and Means in these most difficult domestic and world times.

I wish also to say that we should be thankful for the discerning work of JOHN BYRNES of Wisconsin.

The work of the Ways and Means Committee vitally affects every individual, every industry, every region of our great Nation and we shall all rejoice that we have such able leadership.

Mr. BETTS. Mr. Speaker, as one of the newer members on the minority side of the Ways and Means Committee, I want to join my colleagues in their expressions of praise for WILBUR MILLS. It is not often that so many fine, outstanding characteristics are found in one person. Ability, intelligence, personality, and integrity are some of the ingredients that make our chairman one of the most distinguished legislators of our time.

But, aside from these qualities he has an ingrained sense of humility which, to my mind, marks him as a great man. His legislative accomplishments are tremendous. His reputation as a fair and impartial leader of the most important committee in Congress is secure. But, it should not be overlooked that none of this detracts from the fact that he is always approachable and always considerate of problems of his colleagues, regardless of rank or political affiliation.

I have found a great deal of satisfaction and pride in serving under such a talented and accomplished chairman and of having had the privilege of friendship.

Mr. KNOX. Mr. Speaker, it is indeed a pleasure for me to join with my colleagues in this tribut to the esteemed gentleman from Arkansas [Mr. MILLS]. During my 10 years in Congress my principal committee assignment has been on the Committee on Ways and Means. Thus, I have been afforded the privilege of watching the now chairman of that committee at work on many difficult problems—problems involving vital interests of the United States. The gentleman from Arkansas [Mr. MILLS] has rendered committee leadership with attributes of patriotism, judgment, and foresight. Our committee is composed of members who are divergent in their political and economic views. The committee members are persons of strong conviction, who hold dearly to their individual attitudes and beliefs. The committee deals with some of the most complex and difficult legislative problems that face this House. Given these problems and divergency of the members' viewpoints, I feel it ample testimony to WILBUR MILLS' abilities that this committee has never resorted to bitter wrangling in its difficult deliberations. He knows the temper of the House and the needs of the Nation.

I feel that the House is certainly well blessed in having the talent, consideration, and quiet strength of the gentleman from Arkansas, WILBUR MILLS, in such a vital post. I hope to enjoy many more such pleasant years of association with this fine gentleman and able chairman who serves his State and Nation with extraordinary ability.

Mr. SCHNEEBELI. Mr. Speaker, siince I am the newest member of the Ways and Means Committee of the minority party, I feel that I am in a position to comment objectively on the fine leadership which the gentleman from Arkansas, WILBUR MILLS, has given to this committee in its important activities. I support the statement of the gentleman from Texas [Mr. THOMPSON] when he notes that the gentleman from Arkansas, WILBUR MILLS, is a very patient and tolerant leader in explaining to the new members the background of much legislation which, I am sure, has been covered many times previously. He has the very intelligent manner of breaking down complex problems and issues to a very understandable area, and he continues in his explanations until he feels certain that the problem is understood.

He is very encouraging to his committee members to express themselves fully and, as a result of this, the members of the Ways and Means Committee are most fortunate in being afforded this detailed analysis of the complicated problems confronting the committee. I am pleased to join with the other Members of the House on both sides of the aisle in this proper tribute to him as a gentleman of a most understanding nature, tremendous ability, and stimulating leadership.

Mr. DEROUNIAN. Mr. Speaker, in the 2 years I have been a member of the great Committee on Ways and Means, I have come to know Chairman WILBUR D. MILLS rather intimately. He always has time to talk to new members. He is the most knowledgeable Member of Congress in his field. He is fair, he is an excellent chairman, and I join with his host of friends in this House today in paying him homage.

Mr. MILLS. Mr. Speaker, before yielding further, permit me to thank the Members who have, I think, been far excessive in their statements about my service as chairman of the Ways and Means Committee. I never have thought of myself as being anything more than the servant of the membership of the committee. If there has been anything done in this Congress by the committee, it has been done by the committee members, all 25 of them, supported by a very, very able staff, we have all been able to reconcile differences that may exist between reasonable men and women, and bring to the floor of the House what represents the composite judgment of a great majority of the membership of the committee.

If I have made any contribution to that, I am sure it has been only that I have served as chairman of the committee. The membership itself has written the legislation.

But, Mr. Speaker, I want to serve notice now, because it came to me just a little while ago, that some of these statements were taking on the tone of lamenting the departure of a Member of Congress. I hope it does not work out that way, and I have made no announcement yet of any intention to retire from this body immediately.

Mr. BAILEY. Mr. Speaker, will the gentleman yield?

Mr. MILLS. I yield.

Mr. BAILEY. Will the distinguished gentleman yield himself some additional time to explain to the Members of the House the status of the U.S. Tariff Commission in the new setup?

Mr. MILLS. Mr. Speaker, I yield myself 2 additional mintues.

Mr. GROSS. Mr. Speaker, in view of the time that has been taken for a very worthy purpose but extraneous to the consideration of the conference report, I ask unanimous consent that the time for consideration of the conference report be extended by 15 minutes.

The SPEAKER. The time on the conference report is under the control of the Member handling the report.

Mr. MILLS. I think we can dispose of it within the hour. I am sorry I have taken so much time.

With respect to the inquiry of the gentleman from West Virginia, the role of the Tariff Commission in this overall picture is still one of advising the President. There has been no limitation at all placed upon the Tariff Commission in that respect. The Tariff Commission will advise the President in all respects with reference to the effect of any proposed change in duties upon the domestic industry concerned, the effect of any proposed reduction of any duty on any article, and whether or not such contemplated actions will adversely affect an industry. The Tariff Commission will occupy the position (as it does now) of being the adviser in escape-clause actions, in firm or worker investigations seeking adjustment assistance.

Mr. HARDY. Mr. Speaker, will the gentleman yield?

Mr. MILLS. I yield.

Mr. HARDY. I understood the chairman of the committee in discussing this most-favored-nation matter to say that the action in granting most-favored-nation consideration to Yugoslavia and Poland was a clear contravention of law.

Mr. MILLS. No, I did not say that with respect to Yugoslavia. I said that with respect to Poland.

Mr. HARDY. With respect to Poland.

Mr. MILLS. Yes. That is my conclusion.

Mr. HARDY. If that is the case, I wish the gentleman would explain how the new language which was put in the bill would be more effective. If there is a clear violation of the law, how do we expect this language to correct it? I would like to have an understanding about that.

Mr. MILLS. I can assure the gentleman there is a great difference. As I pointed out, we have eliminated the test relied upon to reach the result we have today; that is, the test of whether a country is controlled by the foreign government or foreign organization controlling the world Communist movement. We have provided that any country or area dominated or controlled by communism is within the provision and should be denied most-favored-nation treatment.

Mr. Speaker, I urge adoption of the conference report.

The SPEAKER. The time of the gentleman from Arkansas has expired.

Mr. MILLS. Mr. Speaker, I yield 5 minutes to the gentleman from Wisconsin [Mr. BYRNES].

(Mr. BYRNES of Wisconsin asked and was given permission to revise and extend his remarks.)

Mr. BYRNES of Wisconsin. Mr. Speaker, I am glad that the chairman of our committee made one thing clear during the course of the discussion that has been going on, and that is that he is not planning on retiring. I was a little worried for a moment.

Mr. Speaker, as this bill comes back to the House it is not materially different from the bill which we passed and sent to the Senate. This was not the case when the bill passed the Senate. But on the basic substantive matter your conferees were able to sustain the position of the House, and for this I think we should all be thankful.

First, you will recall that in the House bill the authority for the President to reduce the duty in categories down to zero was conditioned upon the fact that the United States and the Common Market accounted for 80 percent or more of the world trade in that category.

An amendment was offered on the floor of the Senate extending the countries to be taken into account in arriving at the 80-percent category to include all of free Europe.

When the administration presented this bill to us it claimed that the 80-percent-category factor, in the bill as passed by the House, was required to permit negotiations with the Common Market. In fact, that was the basic need for the large grant of authority contained in this bill to the President. The administration did not maintain it was necessary to deal with the European Continent. A list of the categories which would qualify for the elimination of tariffs had been submitted to the committee on that basis. The right to extend the definition to all of Europe, or so much thereof as the President might choose, completely changed the character of the bill. It constituted an expansion of Presidential authority which your conferees refused to accept. I am happy to report that the Senate receded on this amendment.

I, too, would like to address myself briefly to this matter of the extension of the most-favored-nation treatment. As a longstanding policy of the United States, we have extended any concessions that we made to one country to all of the countries with whom we trade. Under that plan, if we negotiate mutual concessions as far as the members of the General Agreement on Tariffs and Trade are concerned, once the agreement is signed, we automatically extend the same concessions to the other nations, regardless whether they were parties to the original agreement or offered anything in return. We are still doing that. Until 1951, we were extending these concessions even to Communist countries and even to the Soviet Union.

Mr. Speaker, in the Trade Extension Act of 1951 I proposed, as I believe the chairman will recall, the amendment which was then adopted. This amendment excluded the Communist countries from receiving this most-favored-nation treatment. Since 1951 the law has contained a prohibition as far as extending the most-favored-nation treatment, and the resulting concessions, to the Communist nations.

Notwithstanding this change in the law in 1951, the Executive has extended the most-favored-nation treatment to Poland and Yugoslavia.

The SPEAKER. The time of the gentleman from Wisconsin has expired.

Mr. MILLS. Mr. Speaker, I yield the gentleman 5 additional minutes.

Mr. BYRNES of Wisconsin. Nevertheless, the Executive extended the most-favored-nation treatment in spite of the letter of the law as it exists, prior to the amendment contained in this trade agreements bill, to Poland.

Mr. Speaker, I find it hard to believe that anyone can honestly say that Poland is not dominated by Russia—or by the world Communist movement—of which Russia is the fountainhead. Nevertheless, through some process of fuzzy thinking—the State Department decided that it would be desirable to extend to Poland the benefit of the trade concessions which we have made to the free world. This could only be done if the Executive found that Poland were free of Communist domination. The Executive therefore found that Poland was free. Obviously, a pure fiction. If Poland were free, the Poles should have been told about it.

Mr. PUCINSKI. Mr. Speaker, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield to the gentleman from Illinois.

Mr. PUCINSKI. I do not think that the Poles have to be told about this. I think those 30 million Poles in Poland know the full ugliness of communism and know that they are under communism.

Mr. BYRNES of Wisconsin. Certainly they are under communism.

Mr. PUCINSKI. There is no question but what these people know they are under communism, and I think they are living for the day when they can shake off the Communist rule and the phony and fraudulent leaders that are holding that country in captivity today.

Mr. BYRNES of Wisconsin. I agree with the gentleman. That is the point I have been trying to make.

In this bill as it passed the House, we deliberately sought to prevent such action in the future. The House bill changed the definition of a Communist country for the specific purpose of excluding—from the automatic extension of the most favored nation treatment—Communist countries such as Yugoslavia and Poland. There could no longer be any quibbling. These were, in fact, designated in our report as Communist countries.

Mr. MILLS. Mr. Speaker, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield to the gentleman from Arkansas.

Mr. MILLS. I intended to make it clear, and I am sure my friend the gentleman from Wisconsin, intends to make it clear that this provision is not aimed at the people of any area or any country.

Mr. BYRNES of Wisconsin. Of course not.

Mr. MILLS. It is aimed at the governments of those countries, the oppressors of these people.

Mr. BYRNES of Wisconsin. Certainly it is.

Mr. Speaker, permit me to proceed further, and I may answer part of the questions which the gentleman from Illinois may have in mind.

What does this really mean when we say we are not going to extend this most favored nation treatment? It does not mean we stop trading with them. It does not mean that we cannot trade with Poland and Yugoslavia or the Soviet Union insofar as that is concerned. The extent of that trade is determined under other laws passed by this Congress. All this says is this: If we are going to grant a reduction of duty on some item with the Common Market countries, that that does not automatically change the rate of duty as it relates to goods coming from Communist countries. Their goods can still come into our market if they are legal under other laws, but they do not get this favored treatment.

Mr. Speaker, that is all we are saying here, and that is all we have ever said under the amendments adopted in 1951, because the whole purpose of the Trade Agreement Act is that we get a quid pro quo.

We have always talked about this as a reciprocal trade program, when we made a concession, and lowered our duty, and it was the Congress' intent that the other country would do something in return by giving us an equal concession. Yet we certainly cannot extend that kind of treatment to countries with

whom we do not even negotiate. This bill was sold to us by the administration on the idea that it is necessary for the free world to get together and improve its trade. It was not sold to us by the administration as a Communist trade bill.

At the request of the administration, the Senate amended the bill in order to restore the identical language of existing law—the purpose was clear—to reinstate both Poland and Yugoslavia for most-favored-nation treatment.

This difference between the House and Senate bills almost produced a deadlock. I am very glad to report that a majority of your conferees offered the Senate no alternative but to recede.

Mr. HARDY. Mr. Speaker, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield to the gentleman.

Mr. HARDY. Mr. Speaker, let me commend the committee for trying to clean up this matter. What this bill does, as I understand it, is this. It simply says, "You have been violating the law; get back on the reservation and stop violating the law." Do you do any more than that? Is there anything that we can rely on in this bill?

Mr. BYRNES of Wisconsin. We change the language to make it perfectly clear that we want to carry out the original intention. I think it was the committee's original intention or understanding that the language we had in the past would not enable them to extend this concession to Poland, for instance. We have changed the language to make it crystal clear.

Mr. MILLS. Mr. Speaker, will the gentleman from Wisconsin yield to me?

Mr. BYRNES of Wisconsin. I yield to the gentleman from Arkansas.

Mr. MILLS. The confusion over the language in the 1958 act resulted from the interpretation of the words "dominated or controlled" by the foreign organization controlling the world Communist movement. That test is eliminated entirely. The only requisite finding here is that the government of the particular country is under communism.

Mr. BYRNES of Wisconsin. That the country is dominated by communism.

Mr. MILLS. That is right, that the country itself is dominated by comunism.

Mr. BYRNES of Wisconsin. Which does confine it more closely; there is no question about it.

Mr. HARDY. Mr. Speaker, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield to the gentleman from Virginia.

Mr. HARDY. The only thing that disturbs me is that the gentleman from Arkansas said that even a high school graduate should be able to understand this statute. If there has been a violation of it by somebody in the State Department we ought to make it perfectly clear so that we may prevent any further violation.

Mr. BYRNES of Wisconsin. I think it is perfectly clear now. I think it is perfectly clear in the language that we have used in the committee report. The committee report lists the countries that we have in mind. It specifically points them out as examples, so that there should be no further question about legislative or congressional intent in this area.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield to the gentleman from Iowa.

Mr. GROSS. Is the gentleman saying that Poland will continue to pour canned hams into this country, and other edible agricultural products?

Mr. BYRNES of Wisconsin. Only on the duty rate of 1932, not on the new rates, not on any lower rates resulting from any agreements or concessions that we have made through international agreements with other countries. Only under the basic 1932 rate.

Mr. GROSS. But they are going to continue to come in?

Mr. BYRNES of Wisconsin. There is nothing in this act that imposes any such restriction. The President does, under this, have authority to act in retaliation against discrimination in our trade. So there is certain authority in that area that could be invoked. This legislation does not provide any specific embargo against Communist trade.

Mr. GROSS. Mr. Speaker, one other question, if the gentleman will permit. The bill as passed by the House recognizes that the import of the bill will be to damage industry and take jobs from workers in this country, and therefore it established a brand new welfare program, or what amounts to that. Is there any substantial change from that?

Mr. BYRNES of Wisconsin. There is no change from that in the House bill.

Mr. GROSS. It is still recognized that there will be real damage to American industry and American labor because of this bill, the ultimate goal of which is free trade?

Mr. BYRNES of Wisconsin. The bill still contains the adjustment assistance provision.

Mr. REUSS. Mr. Speaker, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield to my colleague from Wisconsin.

Mr. REUSS. I have this question which is raised by the conference report. The gentleman has said that the Senate amendment which would have altered the 80-percent clause relating to bargaining with the Common Market has been stricken. I think the Senate receded on that.

I would ask the gentleman this question. The 80-percent clause as it is now contained in the bill would not in fact apply to any commodities other than possibly jet aircraft until and unless the United Kingdom joins the Common Market; is that not so?

Mr. BYRNES of Wisconsin. Or until there is some change in the volume of trade as between the other Common Market countries. As conditions stand right now, the effect of this 80-percent rule will be at a minimum unless Great Britain does become a member of the Common Market.

Mr. HARSHA. Mr. Speaker, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Ohio.

Mr. HARSHA. Mr. Speaker, I rise in opposition to this conference report. I must say in all fairness that the conferees did an outstanding job in insisting on the House position on many of the disagreements here but that does not change the fact that this trade bill will admittedly destroy many jobs. The steel industry as I pointed out yesterday is dying because of increased imports. American steel can not possibly compete against the low wages and low taxes of the foreign nations.

In Germany for example, taxes on income, capital gains, inheritance, and gifts add up to about 22 percent as against 86 percent in this country. The National Industrial Conference Board in a survey of 91 U.S. companies with operations in Western Europe found that the labor component of production in the Common Market is about half as much as in the United States. And, Mr. Speaker, in other nations such as Japan it is far less.

Mr. Speaker, while we talk of the Common Market these trade advantages are not limited to it but will be granted to every free nation all over the world with whom we trade. This is because of the favored nation concept.

Mr. Speaker, let me give my colleagues some facts as to what is occurring in the shoe industry.

Nonrubber footwear imported into this country for the first 8 months of this year was 56 percent ahead of last year. For the month of August alone imports were 42 percent higher than August of last year. To date there has been imported about 40 million pairs of these shoes as compared with 25.5 million for the same period last year.

Rubber footwear is even worse. In August of 1962 rubber footwear imports were 107.8 percent higher than last August.

Most of these shoes are sold at prices much lower than American-made shoes because of taxes and lower wage scales. Now, Mr. Speaker, this means just one thing. That while these foreign shoes are being sold over the counters of the United States our local made shoes are not. When they do not sell, production is cut down—when production is cut, jobs are lost. Many people figure they are saving money by buying the cheaper shoes—they are not. What they do is throw the American worker out of a job. This means more unemployment compensation, more relief benefits, and these are met by higher taxes, so in the long run purchasers are not saving anything—they are adding to the army of unemployed. They are causing their taxes to increase and destroying the economy of this Nation.

Furthermore, Mr. Speaker, there is nothing reciprocal about these tariff reductions. We in the United States are granting concessions but we are not receiving the same.

We have to meet higher tariffs in these other nations. Mr. Speaker, until we receive reciprocal tariff concessions, until we have tax adjustment and until the foreign countries have comparable wage

standards, we cannot compete fairly. I urge my colleagues to defeat the conference report.

(Mr. HARSHA asked and was given permission to revise and extend his remarks.)

Mr. COLLIER. Mr. Speaker, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield to the gentleman from Illinois.

Mr. COLLIER. As I understand it, under the conference report we have adopted the Senate's proposal of the Senate bill, which actually will increase this cost to the Federal Government twofold. In other words, as the bill now stands, if I understand it correctly, instead of the unemployment cost being shared by the States with the Federal Government working in cooperation with the several States. Instead Uncle Sam will assume the entire cost involved here, and what we are really doing is doubling an unknown cost to take care of the unemployment benefits that enter into this picture. Is that correct?

Mr. BYRNES of Wisconsin. I think the gentleman is absolutely correct. The Senate amendment which was accepted by the conferees would provide that the full cost of unemployment compensation, really what they call trade adjustment benefits under this bill, will be assumed by the Federal Government rather than participating with the States under the Unemployment Compensation Act.

Mr. COLLIER. This is also in the light of there being absolutely no means by which to determine what this cost will be?

Mr. BYRNES of Wisconsin. I think the gentleman is accurate in that. As the gentleman knows, I raised very serious question, and still do, as far as the adjustment assistance provisions of this bill are concerned, but all I am saying today is that as we come from conference, as one of the conferees I must say I believe we have brought you back as close to the House position as we could possibly get. In most cases by adhering to the House position it is improved over the bill as it passed the Senate. That is my opinion as we bring the bill back to the House.

Mr. COLLIER. There is no indication at this time whether there will be 5 or 5 million American workers put out of work? And is it not true that we will be discounting the income of each worker so affected by 35 percent?

Mr. BYRNES of Wisconsin. I would point out that I think we must emphasize right here and now that the consequences of this legislation are going to depend on what this Nation does in its negotiations. Whether this bill will be considered by history as a good bill or a bad bill is a matter of how the President carries out the authority which we give him under this act. The big question is going to be, what are the results of the negotiations that are conducted under the authority provided here? It is up to the President as to whether it shall be for good or bad as far as the economy of this country is concerned.

In regard to the bill as a whole, I would like to again express a few words of caution.

This bill will not guarantee us access to the Common Market.

This bill will not assure us increased exports.

This bill will not assure us a favorable balance of payments. It might very well produce the opposite.

This bill will not solve our unemployment problem. It could create more unemployment.

All this bill does is to provide the President with the authority to negotiate. In order that we might fix the responsibility for those negotiations, the President is to designate a chief negotiator who shall exercise this authority on his behalf. The burden will still rest upon the President, and his negotiator, to conduct those negotiations in such a manner that the interests of American industry, American labor, and American agriculture will be best served.

I would not only caution those who may have been taken in by administration propaganda—and therefore are expecting miracles—but also those who may have become alarmed by the claims that this bill will produce some radical change in our posture in world trade.

Properly administered, there is no segment of the American economy which needs to be injured by this bill. The success or failure of this program will depend to a large degree upon its administration, and in my judgment, properly administered, the program can be a success.

We not only have given the President sufficient authority to negotiate, we have also buttressed that authority with the right to take retaliatory action where those negotiations are frustrated, or circumvented, by other nations seeking to discriminate against American exports.

There should be no doubt concerning our intentions with respect to preventing discrimination against American exports. The bill authorizes—in fact, it directs—the President to raise tariffs and to invoke import restrictions against the products of those countries which discriminate against us.

The administration was reluctant to have this authority. Yet, I predict here today, that if we are to gain access to the Common Market, the administration not only must have this authority—it must be prepared to use it.

Let us not forget that the Common Market is not being organized for the purpose of "free trade" outside of its borders. Generally it is a customs union, protectionist in concept, held together only by a common external tariff wall. This common tariff can be used to prevent American products from successfully competing with the products of the member nations. We have already seen discrimination against the importation of some American products.

Every effort is being made to keep American coal out of the Common Market.

The Germans have interposed various devices to exclude the importation of poultry products.

Variable import duties have been designed so as to protect domestic production of agricultural commodities within the Common Market.

We cannot afford to make any further concessions in order to remove these restrictions. They are contrary to the spirit—if not to the letter—of our prior agreements.

This bill contains a mandate to the President to act—not just to send the State Department around with some feeble protest.

If we are to compete with the Common Market, we must also get our own house in order. American industry cannot successfully compete if we burden it down with taxes and the inflationary results of deficit financing.

The various spending programs of the New Frontier ultimately find their way into our costs of production. Whether we like it or not, the costs of production here at home will continue to increase—so long as we lack fiscal responsibility in Government. Our industry is not only faced with higher labor costs, but with higher taxes both local and Federal.

The real problem is that the administration refuses to recognize these facts. This bill is hailed as the panacea—to cure unemployment—to remedy the deficit in the balance of payments—to "get America moving again."

We need more deeds—and less propaganda from the administration.

I have heard in the past the criticism that our negotiators approached the GATT negotiations with the underlying thought that an agreement in itself was more important than the concessions which might be agreed upon. If this is our attitude in the future, the bill will accomplish nothing.

Finally, however, this trade bill does differ from any past legislation in this field. We provide special unemployment benefits to workers—and loans to companies—who are found to have been injured by imports. This provision distinguishes, the trade bill—or makes it different no doubt—but I question whether it is a step in the right direction.

I frankly do not feel there is any justification for discriminating between a worker who may be unemployed because of the impact of imports and his neighbor who may be unemployed because of the impact of competition from some other source.

The excuse given for this discrimination is that the Government in its trade negotiation causes the injury to the first worker. In other words, the worker has some vested interest in the maintenance of our tariff schedules.

I am sympathetic and would like to help the worker who is injured by imports. I feel equally sympathetic to his neighbor who may likewise be unemployed through no fault of his own. This Congress recently passed a law—the Manpower Training and Development Act—to take care of both cases.

For all practical purposes, this bill will wreck the manpower training program. Why?

Because the worker getting benefits under the trade bill will receive just about twice as much in dollars as if he qualified under the Manpower Act. He will be paid more for doing nothing

than he would receive for taking training.

The gentleman from New York [Mr. GOODALL] pointed out this inconsistency when the bill was before the House last June 28. In complete disregard of what we did in the Manpower Act, the trade bill: First, prescribes a different set of standards for qualification; second, pays a higher benefit than either the Manpower Act or any other State or Federal program; third, pays these benefits for a longer period; and, fourth, omits most of the safeguards against abuse in the Manpower Act.

While I do not approved of this dual standard for unemployment benefits, I support the conference report. I only hope that there will be no need to have recourse to these relief provisions.

I conclude, Mr. Speaker, by saying I think this conference report should be supported.

Mr. MEADER. Mr. Speaker, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield to the gentleman from Michigan.

Mr. MEADER. Mr. Speaker, I intend to vote in favor of adoption of the conference report on the Trade Expansion Act of 1962. I voted for passage of this bill when it was before the House on June 28, 1962—see CONGRESSIONAL RECORD, page 11238.

My position has consistently been in favor of free trade. During my 12 years in Congress, I have voted for extension of the Trade Agreements Act as follows: February 7, 1951, CONGRESSIONAL RECORD, page 1080; June 15, 1953, CONGRESSIONAL RECORD, page 6561; February 18, 1955, CONGRESSIONAL RECORD, page 1795; June 11, 1958, CONGRESSIONAL RECORD, page 10882.

Mr. Speaker, the present Trade Extension Act goes farther than any similar delegation of power to the executive in the past. The Congress in effect, for a period of 5 years, has given its power over taxation of imports to the President, and recognizing that the President may so utilize this power as to harm American industry and workers, we have granted him authority to subsidize affected areas, in addition to all of the other programs of the Federal Government available to assist depressed areas.

In my judgment the Congress has gone too far in the direction of vesting in one man such sweeping control over the economy of the United States. It permits manipulation of our economy and if abused could cause great harm to many people in many areas.

I would have preferred a measure which would have retained more control in the Congress and less delegation of power to the President and supported efforts to shape the bill to that end.

As is true in many important controversial measures, we are faced with the necessity of balancing the good against the bad, and now on this conference report, as was true on final passage of the bill by the House in June, we are forced to make a choice between two unsatisfactory alternatives. In my judgment the disadvantage of permitting the tariff negotiating power of the executive to expire and taking a step in the direction of economic isolation is more disastrous to our international relations and our domestic economy than the other alternative of granting the President excessive power, and I, therefore, cast my vote in favor of the bill and the conference report.

(Mr. MEADER asked and was given permission to revise and extend his remarks.)

Mr. PELLY. Mr. Speaker, when the so-called trade expansion bill passed the House I voted against it. Strongly as I have favored exchange of surplus goods between the free nations of the earth there was much in this proposed legislation that I opposed. I was especially unhappy over the excessive exclusion of legislative powers to the executive. The Baker amendment to allow the Congress to implement and make effective Tariff Commission decisions, if the President failed to do so, to some extent softened this objection.

During the hearings on H.R. 11970 I appeared in behalf of the lumber and fishing industries and pointed up the problems of these two important segments of our economy due to foreign imports. The Committee on Ways and Means, however, in reporting a bill failed to include any of my suggestions as to provisions to protect the livelihood of our American workers and protection for our living standards. So, as I said, I voted against the bill.

However, Mr. Speaker, I note with satisfaction from the conference report on the bill that the Senate amendment adding a new section relating to fish conservation has been accepted. Under this section the President is directed to use all appropriate means to persuade other countries to negotiate concerning fish conservation. If any country whose fishing practices affect our resources, as the Japanese fishing practices affect our North American salmon, fails to respond to our overtures then the President may increase the rate of duty on that nation's fish products which are imported into the United States to a rate not more than 50 percent above the rate on July 1, 1934.

This new provision could serve to protect our fishing industry. It would not have the force and effect of the salmon conservation legislation which I have sponsored and which was reported favorably by the House Committee on Merchant Marine and Fisheries very recently. Nevertheless this Senate amendment to the Tariff Act would improve it greatly.

Mr. Speaker, no similar protection is afforded in this measure for the lumber industry. This I regret but I am hopeful the Tariff Commission will find after its present hearings that relief against Canadian imports is in order.

However, on account of the improvement in the legislation as far as fish is concerned I intend to support and vote for the conference report at the conclusion of this explanation.

Mr. REUSS. Mr. Speaker, the trade bill reported out by the Senate-House Conference, authorizing new and unprecedented powers to the President, is a signal achievement. I congratulate the gentleman from Arkansas on his most conscientious and able leadership which enables us now to complete action upon the most important single task confronted by the 87th Congress. I support the conference report, and I hope our vote will leave no doubt that Congress stands foursquare behind this important new measure.

THE ZERO BARGAINING AUTHORITY

I regret, however, that a Senate amendment enlarging the zero bargaining authority of chapter 2, section 211 of this bill was not retained during the conference negotiations. As it now stands, this part of the bill has little or no meaning unless and until the United Kingdom joins the Common Market.

The zero bargaining authority of the present trade bill is intended to grant authority to eliminate tariffs completely on commodity categories where the United States and the European Economic Community together account for 80 percent of world trade. This is the feature of the bill which has won it wide support because many people are convinced that we must have a way to eliminate the discriminatory effects of the Common Market external tariffs.

Without a way to remove these discriminations against U.S. exports, our chances to eliminate our present balance of payments deficit, reduce unemployment in our most efficient industries, and to boost our economic growth rate are dangerously diminished.

But this vitally important authority, which is the very heart of H.R. 11970, is unfortunately not usable at this time because a Senate amendment was deleted during the conference negotiation. The amendment would have permitted the President to count the trade of the member countries of the European Free Trade Association as well as the trade of the European Economic Community, together with the United States, to determine the categories eligible for zero bargaining. Now that the amendment is no longer in the bill, the trade of the United States and the European Economic Community only may be considered in calculating the broad categories of trade eligible for zero bargaining.

TOTAL OF UNITED STATES PLUS EUROPEAN ECONOMIC COMMUNITY TRADE INSUFFICIENT TO QUALIFY FOR ZERO BARGAINING

The present language of chapter 2, section 211, will not now permit us to engage in zero bargaining with the European Economic Community. The reason is simple. The United States and the six countries which are now members of the EEC do not account for 80 percent of world exports in any significant broad category of industrial trade, except for aircraft.

This means that the present formula would not permit special down-to-zero bargaining in such vital categories of U.S. exports as automobiles, trucks, and buses; metalworking machinery; mining construction, and other industrial machinery; agricultural machinery, including tractors; organic chemicals; other chemicals, including plastics and insecticides; office machinery; power-generating machinery; other electrical ma-

chinery; paper and paper products; and rubber manufactures.

It appears that chapter 2 will in fact not be usable over a broad range of product categories until and unless the United Kingdom and some other European countries formally join the Common Market. A widely distributed list, prepared by the Department of Commerce, shows that 26 major categories of trade would be eligible under chapter 2—but only if the United Kingdom, Denmark, Greece, Ireland, and Norway all succeed in joining the EEC.

Had the Senate amendment been retained, this problem would not have arisen. By including the trade of the member countries of the European Free Trade Association, as well as the trade of the United States and the EEC, we could have used the zero bargaining authority immediately.

ATTEMPTS TO VALIDATE ZERO AUTHORITY REPEATEDLY MADE

Mr. Speaker, I have repeatedly tried over the past few months to correct this serious weakness of the bill.

On April 4, 1962, I testified before the Ways and Means Committee urging that chapter 2, section 211, be amended to include the trade of the member countries of the European Free Trade Association—hearings, House Committee on Ways and Means, Trade Expansion Act of 1962, part 5, pages 2851–2863. I pointed out that serious injury to U.S. exports would follow if we had to wait until protracted negotiations to expand the Common Market were successfully completed. I also pointed out that there is a chance that the EEC would not expand beyond its present size, in which case, our special bargaining authority would never be usable.

On May 17 and again on May 23, 1962, in floor speeches, I called attention to the importance of my amendment.

The House bill reported out by the Committee on Ways and Means did not include my amendment, and because of the closed rule under which the bill came to the floor, I could only call attention to the imperfection of an otherwise desirable piece of legislation.

On August 13 I submitted my amendment for consideration by the Senate Finance Committee—hearings, Senate Committee on Finance, Trade Expansion Act of 1962, part 4, pages 1909–1915. During Senate Finance Committee hearings on the trade bill, Under Secretary of State Ball indicated strong opposition to the proposed amendment. In a colloquy with Senator DOUGLAS, Mr. Ball stated that he was against the amendment on political grounds. He claimed the adoption of the amendment would cause people to say "the United States had given up hope that Great Britain was going to enter the Common Market and therefore that it was a hopeless enterprise. I think that this politically would be a highly undesirable action for the United States to take."

The text of the exchange between Senator DOUGLAS and Mr. Ball follows:

Senator DOUGLAS. I want to deal, first, with a matter which worried the Congressman from Wisconsin, Mr. REUSS, which he raised in his testimony on Monday.

A large part of this bill has been predicated upon the hope and, indeed, upon the assumption, that Great Britain would enter the Common Market, and various members of EFTA, and they would have a trading area, of 170 million, and we would have a trading area of 270 or 300 million, and it is only in that context that there is much meaning to the ability of the President to eliminate all tariffs on products 80 percent of the world trade of which is between Common Market and the United States.

Now, in recent weeks there is grave doubt as to whether Great Britain will enter the Common Market or will be permitted to enter the Common Market.

It is apparent she will not be able to bring much of the Commonwealth in with her, and she will not be able to bring much of Canadian wheat or Australian wheat or New Zealand butter and cheese or New Zealand and Australian wool and mutton, and in the Commonwealth conference which is shortly coming up, we may find such objections from the Commonwealth that Great Britain will decide that she cannot risk estranging the Commonwealth in order to enter the Common Market.

In addition to this, of course, opposition to entrance is rising among the back benches of the Conservative Party, and in certain sections of the Labor Party.

To complicate the situation still further, President de Gaulle is suspected of not wishing to have British entrance because he wants to maintain continental superiority and does not wish to have too much British influence.

If this entrance of Britain should not occur, and the Common Market remains in its present form, Congressman REUSS has studied the subject and he says that aircraft would be virtually the only major item where 80 percent of the world trade would be on the part of the United States, and the world market, and therefore, he proposed that in dealing with the phrase "Common Market," chapter 2, that wherever there is reference to the European Economic Community there should be inserted the following words, "and the countries of the European Free Trade Area," and he goes on to say that this would permit the trade of the countries of the second group to be counted in determining the categories for down to zero bargaining and insure the inclusion of most of the industrial goods categories important in Atlantic trade.

He is speaking primarily of durable consumer goods.

In the actual trade associations, Congressman REUSS went on to say that the United States would seek adherence of the EFTA countries as well as the Common Market to the same schedule of reductions down to zero in any category selected for bargaining.

I was greatly impressed by Congressman REUSS' statement, and in informal conversations which I had with him, and I tend to lean in his direction.

I wondered if you had any comments.

Mr. BALL. Yes. I would like to comment on that, Senator DOUGLAS. First of all, as I said in my statement this morning, I just returned from Europe. I was there this last weekend and I had an opportunity to consult with the representatives we have in the capitals of some of the principal countries that are parties to this negotiation.

Since we are not a party to the negotiation ourselves, I do not think I should speculate too freely. I would say, however, that the impression which our own representatives have who have been watching this very closely as well as my own impression, sir, is that very great progress has been made in settling the difficult problems between the United Kingdom and the European Community and that the remainder of the problems should not prove impossible of reasonable solution.

Now, this does not mean that they will be worked out. It is a highly complicated negotiation. My own impression is that they will be.

Senator DOUGLAS. Suppose it does not happen? Suppose you should be mistaken? Then it will be some months before we know. Now, we have to act on this tariff bill in the next few weeks—I hope in the next few days. We do not want to gamble on the hope that Great Britain will enter the Common Market. What harm will there be in including EFTA in the area of negotiation along with the Common Market?

Mr. BALL. I find myself in a curious position, Senator Douglas.

Senator DOUGLAS. I did not want to put you in such a position, but the country is in a serious position.

Mr. BALL. I said "curious."

Senator DOUGLAS. Oh; I thought you said "serious."

Mr. BALL. In suggesting that we do not wish larger powers to reduce tariffs than are represented in this bill.

But there are several reasons why I think the legislation in its present form is as it should be. First of all, the 80-percent provision is in addition to the basic formula which is the ability to cut tariffs by 50 percent. The 80-percent provision was put in with this in mind; that if we were trading with a single trading area which could speak with one voice, and if between us, we commanded 80 percent of the trade of the world, then that would mean that we could make a tariff agreement which, even under the most-favored-nation clause, would produce a minimum of third-country problems.

One of the great difficulties that we have had in negotiating tariffs in the past has been that because of the great preponderance of our own economic position we have been an enormous market negotiating with a whole group of small markets. It has been very difficult to work out arrangements under which we gave access to our markets while what was given in return was access by this small country, access also by another small country, access by a third and fourth country, and so on.

On the other hand, this problem would be largely avoided in a negotiation in which the United States and the expanded Common Market were the sole partners. Therefore, we felt it would be possible, without creating further problems of third-country benefits, to go much further down the line toward complete liberalization of trade than was otherwise the case.

Furthermore, because of the fact that the United States was economically similar to the countries making up the Common Market—that is, both highly industrialized—the opportunity for a much greater liberalization of trade presented itself because of these comparative conditions.

Now, if we were to change at this point, we would be doing something we have rather carefully avoided doing up to this time. We would be injecting ourselves into the United Kingdom-EEC negotiations in a way which I think could have very serious consequences—in the sense that it would add a new element to an already highly complicated negotiation.

Opponents of the entry of Britain into the Common Market could say that there was an alternative presented to Britain which had not been available before. They would say the United States had given up hope that Great Britain was going to enter the Common Market and therefore that it was a hopeless enterprise, and so on.

I think that this politically would be a highly undesirable action for the United States to take.

Senator DOUGLAS. May I reply to that?

Mr. BALL. Surely.

Senator DOUGLAS. You say the United States should not inject itself into the negotiations between Great Britain and the

Common Market. I would say that this existing provision implicitly injects the United States, because what you are in effect saying to Great Britain is, "If you join the Common Market (and Great Britain and the Common Market together will have 80 percent of this wide range of goods) then you can come into the American market."

While you have been very diplomatic in your answers, I would say you have already been injecting yourself on the side of putting pressure on Great Britain to get into the Common Market, which for political reasons, I also would like to see them do.

But now you say this might induce them to stay out of the Common Market. Should not that be Great Britain's decision to make on her own, of course, and should not we be willing to deal with EFTA or the Common Market? Why should we put this pressure to get into the Common Market?

Mr. BALL. I think the difference here, Senator DOUGLAS, is that after a negotiation is well underway toward a conclusion one way or another, we should not change the international rules.

Senator DOUGLAS. Well, now, just a minute. The European countries should know that it is Congress who makes the laws, not the State Department. We are not bound by the bill which you sent up to Congress. We have the right to change that bill. I am very sorry that we did not go into the old League of Nations in 1919. But I think the European complaint that Wilson had by agreement with the League of Nations made an implicit promise that we would go in was completely wrong.

The Senate had the legal right to reject the League. We have a legal right to reject this bill.

I hope we do not do it, I hope we are not forced to do it, but we have the right to change it. I do not see that we are changing the rules of the game at all. We are trying to protect ourselves from the possibility that Great Britain may not go in, and if she does not go in, then we are somewhat restricted in the degree to which we can expand our trade.

Congressman REUSS pointed out very well that our greatest hope for export to Europe is durable goods—refrigerators, television sets, washing machines, dryers, all those things; this is our hope. We can only get the tariffs on these goods slashed if the countries of the Common Market have 80 percent of world trade. If we do not have 80 percent of the world trade, we cannot get this expansion. With EFTA we could get the expansion, not only with the Inner Six but the Outer Seven or whatever group should affiliate themselves with them.

Mr. BALL. Senator, I am not suggesting, of course, that Congress does not have the right to pass this law in any way it sees fit. You asked me if I thought it was a good idea or not. I said I thought from a political point of view, we would be changing the international rules.

The Senate Finance Committee was not dissuaded by Mr. Ball's argument. The amendment was approved by the committee, and the bill, as amended, was passed by the Senate.

The elimination of the amendment by the conference committee means that we are back where we started. The zero bargaining authority will have to be put on the shelf until the United Kingdom and enough other European countries join the EEC.

I sincerely hope that the United Kingdom will join the Common Market if, in the judgment of the British Government and people, this association is best for Britain. Moreover, it would be advantageous to the United States since 6 months after British entry into the Common Market we could be in a position to use the zero bargaining authority.

But the State Department's argument on the political consequences of the Senate amendment is invalid. This is shown by the experience of the last few weeks. In the period following the adoption of the amendment, no one to my knowledge—save the State Department—has concluded that the Senate's action was for the purpose of discouraging British membership in the EEC.

The only criticism of U.S. action with respect to British membership, in fact, has been of State Department attempts to influence the composition of the European Economic Community. For example, Robert Estabrook, of the Washington Post, now on temporary assignment in London, recently wrote:

Under Secretary of State George Ball has received considerable criticism in England because of American strictures against Commonwealth trade preferences and associate membership for neutral countries the zeal of some American champions of the Common Market * * * has produced an impression that the United States is trying to dictate the composition of the community and to punish Britain for its delay and the neutrals for their comfortable detachment (Washington Post, Apr. 10, 1962).

Robert D. Novak, writing in the Wall Street Journal, also comments on the curious failure of the State Department to concern itself with the economic aspects of the trade bill:

There are well-founded suspicions that Under Secretary George Ball and his colleagues at the State Department see the trade bill more as an instrument of international politics than one of domestic economics. This is most troubling to export-minded industrialists, who look to future United States-Common Market negotiations as a means of opening the burgeoning consumer market of Western Europe to American products and thus stimulating economic growth here. They fear the State Department is more interested in the role such negotiations would play in insuring that the United States is not politically isolated from the emerging third force in Western Europe.

Consider the State Department's attitude toward the bill's most spectacular provision: a grant of power for the President to completely eliminate import duties on industrial goods that are produced mainly in the United States and Western Europe. Industrialists have been shocked by high ranking State Department officials' private statements that this authority would be exercised only in the case of two or three categories of commodities when U.S. and Common Market negotiators first sit down at the bargaining table.

This cautious approach tends to confirm suspicions that the provision, ingeniously fashioned in its original form to be effective only if Great Britain joins the Common Market, was intended by the State Department to serve primarily as a shotgun to force a British-European economic marriage. (Actually, the possibility that so historic a step as closer British ties with the Continent would be greatly enhanced by the prospect of lower U.S. tariffs is scoffed at by Europeans.)

And the London Economist, in its September 22, 1962, issue, before the trade bill conference report, has this to say:

Almost nobody in Washington, with the possible exception of Mr. George Ball, the Under Secretary of State, and his cohorts at the State Department, views the bill any longer as a prod to push Great Britain into the Common Market, although the measure's most publicized provision was fashioned ingeniously by Mr. Ball to accomplish just that. As passed by the House this would permit complete elimination of tariffs on any category of commodities only if 80 percent of the world exports in that category came jointly from the United States and the Common Market. Only aircraft would meet that condition if the Common Market consisted of its present six members; with Britain in the Common Market, perhaps 80 categories would be eligible (although American negotiators would probably consider complete elimination of tariffs on only a very few of them in the forseeable future).

Although this supposed incentive for the British and the Six to get together would seem to be very low on the list of factors which they are considering, Mr. Ball and his colleagues persist in believing that London and Brussels are basing their decisions in part on what happens to the trade bill in Congress. The State Department was most upset, for example, when the Senate changed the dominant supplier provision to permit complete elimination of tariffs on any category of goods if Britain and the other nations of the Outer Seven (even if none of them enters the Common Market), plus the United States and the Common Market Six, account for 80 percent of world trade in it. This, the Department feared rather illogically, might be interpreted in Europe as the abandonment of hopes in Washington that Britain would at long last become the seventh member of the Common Market.

Of course, if the United Kingdom succeeds in joining the EEC without delay, as a result of the negotiations to be resumed shortly, my fears about the zero bargaining authority will be groundless. But the possibility that Britain cannot join, and the EEC will not be expanded, is yet before us. If the British entry negotiations become stalled, the next Congress must take action to amend H.R. 11970 so that the zero authority will not be a nullity.

Mr. KNOX. Mr. Speaker, this conference report that we are acting on today concerning the Trade Expansion Act of 1962 removes Congressional control and review over our Nation's foreign economic policy for a period of 5 years. It completely legislates away the rights of the next two Congresses to participate meaningfully in the development of foreign economic policy. Not until a half decade from now will the Congress have even a small voice in formulating foreign economic policy and reviewing that policy's impact on our domestic economy.

The legislation will give the Executive unprecedented authority to slash tariffs and place those workers adversely affected on a Government dole during a period of enforced retraining; there concessions to firms injured by the effects of the legislation, making it possible for them to convert to some other industry.

I want to stress that there is no solution offered in this legislation to the plywood plant, the iron mine, the copper mine, or the fishing industry, that would be faced with no market for their products. These industries of northern Michigan that abstract their products from the ground, waters, and forests could not be converted to producing other products. There is absolutely no opportunity for these industries to convert

to producing something else when their market for goods is injured or lost because of heavy imports of iron ore, copper, fish or plywood. The fishermen of the 11th District of Michigan are operating under extreme hardships because of heavy imports from Canada, and the plywood industry has already had 50 percent of its domestic market taken over by imports—by goods produced by workers earning less than one-tenth as much, and by foreign companies under a much lighter taxload than ours.

My opposition to this legislation in no way stems from any unawareness on my part of the need of maximum United States participation in world trade. Indeed, my conviction is that such world trade can be profitably engaged in by our Nation on an enduring and flourishing basis only when the ground rules for such trade assure fairness and reciprocity as elements in that trade program. Now we will find the executive agencies encouraged to make their activities of trade administration even more irresponsible and intolerable.

Our domestic markets will be exposed to a rising tide of imports without sufficient safeguard against injury to domestic producers, and without sufficient assurance of expanding oversea markets for American produced goods. We will have more of the same in one-way reciprocity with America giving and our so-called trading allies taking.

The prosperity of our Nation is reflected by the number of people that are employed in private enterprise. But because of this legislation we will be helping foreign workers find employment by manufacturing goods to be imported into America, while we solve the resulting unemployment of our workers by putting them on relief. I have always maintained that American citizens want and are entitled to increasing job opportunity in private enterprise, and they should not have to rely on Government subsidies for their economic security.

Mr. MILLS. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made earlier today and include extraneous material.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. MILLS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to extend their remarks at this point in the RECORD on this bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. MILLS. Mr. Speaker, I yield 1 minute to the chairman of the Subcommittee on Agriculture and Forestry, the gentleman from Alabama [Mr. GRANT].

Mr. GRANT. Mr. Speaker, I would like to direct two questions to the chairman of the Committee on Ways and Means.

The first is: Is it in your judgment possible for the forest products and lumber industry to get relief under the legislation in this bill?

Mr. MILLS. Yes, sir.

Mr. GRANT. The second question is: If this does not prove practicable or possible, will your committee consider legislation at the next session of the Congress in order that the lumber industry can be provided the needed relief?

Mr. MILLS. The committee, of course, has that authority at all times, to consider legislation. I am sure if anything serious developed, the committee would want to go into it to find out what the facts are.

Mr. GRANT. I thank the chairman very much.

Mr. Speaker, this is a matter that affects many people not only in the Pacific Northwest but all over the United States.

Mr. MILLS. Mr. Speaker, I yield to the gentleman from Texas [Mr. ALGER].

Mr. ALGER. Mr. Speaker, I want to join with my colleagues in thanking our chairman and House minority conferees for standing firm for the House position. Even though I personally consider the trade bill as legislation—a tragic, tragic step in our legislative history in trade, yet, I must say our chairman did represent the House well and that this conference report is a good result considering the two bills that the chairman was working on, and he maintained the House position.

Mr. Speaker, I ask unanimous consent to express further my disapproval of the trade bill in general at this point in the RECORD.

My disapproval of the trade bill was expressed in detailed documentation during the debate before House passage and these views may be found in the RECORD. Because I heartily disapprove this trade bill I cannot support this conference report, even though the House conferees did the best they could in conference with the conferees of the other body.

This trade bill is not freer trade, it is more restrictive. Other nations have not reduced their tariffs reciprocally with us, so why should we lower our tariffs lower until others meet us halfway. This bill makes legitimate the bankruptcy of American Industries by Presidential or State Department decree in lowering tariffs, and then permits an entirely new subsidy, a Federal largesse at the discretion of the President. It's too late of course to revive bankrupt industry. The employees compensation of 78 weeks for losing their jobs if the result of tariff lowering, will compete with unemployment compensation in an unnecessary conflict of compensation.

There are many other objections which prevent my approving this report.

(Mr. ALGER asked and was given permission to revise and extend his remarks.)

Mr. MILLS. Mr. Speaker, I yield 2 minutes to the gentleman from Tennessee [Mr. BAKER].

(Mr. BAKER asked and was given permission to revise and extend his remarks.)

Mr. BAKER. Mr. Speaker, I support this conference report for two basic reasons. My first reason is that the new bill is a great improvement over existing law in many respects. I am not going to take the time to develop all of the points underlying this statement of my first basic reason. One factor is what has been discussed here at length—the development and operation of the U.S. most-favored-nation policy. I can add to one thing touched on by the gentleman from Arkansas [Mr. MILLS]. The test of whether a country is dominated or controlled by the organization controlling the world Communist movement has been stricken from the law. What we did was to strike out of existing law the test which led to an interpretation permitting certain Communist nations to be deemed outside the prohibition of the provision. A country does not have to be dominated by the government or organization controlling the world Communist movement. If the government itself, such as Yugoslavia, is Communist, then most-favored-nation treatment would not be extended. We are thus reserving favorable tariff treatment for the nations we favor—our friends.

The other basic reason for my support of this conference report is a matter I have called attention to when the bill was before the House last June. What I consider to be a great improvement over present law is my own amendment (which appears on pages 78, 79, and 80 of the bill). This provision permits the two Houses of the Congress, by a majority vote of the authorized membership, to require the President to implement any affirmative finding of the Tariff Commission in escape clause, if the President does not do so on his own initiative within 60 days.

I think that this provision is a great protection to American industry. I know and feel that this body, and the other body, in the next session and all other future sessions of Congress, will see to it that this provision is given full operational effect. I think it is a vast improvement over present law and should prove to be of great assistance to adversely affected industries. Mr. Speaker, in closing may I reiterate that I support the conference report.

Mr. BAKER. Mr. Speaker, I yield to the gentleman from New Jersey [Mr. CAHILL].

Mr. CAHILL. Mr. Speaker, I regret that several amendments which were proposed and recommended to the other body do not find their way into the final bill as presented today by the conferees of the House and Senate.

While I supported the trade legislation and voted for the bill in the House, I did so with the expectation that constructive and necessary amendments would be made to the bill in the other body.

It must be recalled that when the bill was originally before the House the rule did not permit any amendments not agreed to by the committee. Thus, many amendments necessary to strengthen the bill were not presented to the House and it is my understanding that many helpful amendments were suggested in testimony and statments presented to the other body in relation to the Trade Expansion Act of 1962.

Since a great deal will depend upon the quality and the knowledge of ne-

gotiators under the legislation, I deeply regret that the recommendation that qualified advisers from industry be required as consultors to our negotiators was not accepted.

All of us recognize that there is within the framework of this bill a potential for great damage to domestic industry. Most of us are concerned less the negotiators for other countries be better qualified and more knowledgeable than our own. Certainly detailed knowledge of the industry in question, particularly when it is one of complexity is essential.

I regret, therefore, that this amendment and this requirement was not made part of this bill.

Then too, I fear that true reciprocity has not been properly preserved under the bill. I likewise fear that the peril points and escape provisions under existing laws have not been strengthened as was recommended before the other body. While some of the conferees and members of the committee have expressed to me the viewpoint that there has been a strengthening in this regard, they concede that it could have been more effectively accomplished.

I also regret that a recommendation in relation to adjustment assistance under the bill was not accepted. All of us are deeply concerned over the lot of the man or woman who loses his or her job as the result of unemployment caused by the failure of a business by reasons of unfair competition from foreign nations. However, the worker who loses his job for reasons other than the impact of trade is penalized and it does seem to me that the suggestion that change in unemployment benefits could have been and should have been accomplished through the medium of existing unemployment legislation made very good sense.

It is my hope, Mr. Speaker, that the bill will indeed accomplish the results ascribed to it. It is sincerely hoped, also, that the great industries of this Nation will not be adversely affected by it. This legislation bears careful scrutiny and must be watched with the closest attention.

While I would have preferred this bill to have been amended as suggested in my brief statement today, I shall nevertheless Mr. Speaker, support the conference report because I hope that this bill will bring to our United States greater prosperity, fuller employment and a better life for our people.

Mr. BAKER. Mr. Speaker, I yield to the gentleman from North Carolina [Mr. JONAS].

Mr. JONAS. Mr. Speaker, I want to ask a question of the gentleman in the well or the chairman of the Committee on Ways and Means. I read in the paper that the President is asking for $10 million to implement the dislocation part of this bill. I wonder if either gentleman could confirm that? Is that correct or not?

Mr. MILLS. I cannot confirm or deny that report. The legislation would, of course, require an appropriation. If there are allowance payments to be made in the future, of course there will have to be an appropriation passed upon by the gentleman's committee.

Mr. JONAS. As I recall the statement, it said that $10 million was being requested to take care of dislocated industry and unemployed resulting from this bill.

Mr. MILLS. I do not have any information as to what the amount may be or whether or not such a request has been made.

Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. DENT].

(Mr. DENT asked and was given permission to revise and extend his remarks and include extraneous matter.)

Mr. DENT. Mr. Speaker, this is not a very popular spot to be in today, I know; and I also recognize the inability of a single individual to fight the tide that seems to be engulfing the American thinking on trade problems and trade legislation.

I seriously believe, and sincerely believe, that this legislation in spite of all the great claims made for its great addition to our economy will be the one straw that will break the camel's back in the progress of the American industrial complex. There are those who say this legislation will increase exports. No one but a fool would believe that. Trade is a commercial venture.

Mr. Speaker, the 5 minutes allotted to me cannot possibly suffice for me to cover the subject as I have learned it while acting as chairman of the committee studying the impact of imports upon employment. I say without reservation and based upon the facts contained within the hearings representing as they do the records of thousands of companies in America, that this legislation will cause unemployment, will create monopolistic and cartel practices in industry, that it is impossible for this Nation to operate in any area of free trade in the world until that world itself has the same economic factors governing trade as we have within our borders.

This Nation succeeded as a free trade area because our country was equal, our laws were alike, we had the same rules and regulations insofar as our commerce was concerned. We are now saying to the world that no longer do these economic factors count. We are saying exactly what Franklin D. Roosevelt advised us against. He advised against tying our economy to the will o' the wisp of foreign trade. That is exactly what he said, that is exactly what he meant, and exactly what he did under the reciprocal trade agreements.

The trade agreements of the last decade have become the millstone around the neck of the American people. It was not such until 1949, and it was only after 1949 that the trade agreements became the dangerous element to the American economy that they are today. We are fast becoming the exporters of raw materials and component parts, and becoming the great importers of finished consumer goods.

Just today the Hamilton Watch Co. announced an agreement with Rikoh in Japan for the production of the Hamilton electric watch whereby they will manufacture the electric features in Lancaster, Pa., send them to Japan, where the mechanical parts will be made, assembled, and then ship them to the United States. And why? Are we doing this because of an aid to Japan out of the goodness of our hearts? No, we are doing it because it means more profit.

The nations will realize one of these days that their economy must be based upon the markets they make within themselves. No nation can provide the sales outlet for the whole world. This we will learn universally just as some of our industries have learned industrially. Low wages or low prices never made an economically sound market. The thing that makes a market is high income and high consumption of products by people who make that income.

How do we expect to sell 90 percent of all of the foreign goods that moves in world trade from the United States, costing the taxpayers money? We exported $4 billion worth of farm goods, which was subsidized, and we imported $4,300 million of farm goods which were not subsidized.

Mr. Speaker, this is the end of the road for those of us in the Nation who sincerely believe that opening up the trade door to all nations, regardless of our ability to meet competitive inequalities, can be disastrous to the United States.

This legislation presumes that all future Presidents will be as conscious of the problems of American industries as President Kennedy has shown himself to be in the cases of glass, carpets, and textiles.

This is too much to presume and too flimsy a thread to hang the sword of Damocles over the heads of high labor content industries.

Some say that this is a great challenge to the United States and that it offers opportunity as per the attached editorial from a local newspaper in New Kensington, Pa.:

OPPORTUNITY FOR UNITED STATES

In one of the most significant actions in many years, Congress has agreed with the viewpoint of President Kennedy that today's world demands freer trade. It has granted unprecedented power to the President to do what he can to make such trade possible.

The bill passed by the Senate is almost the same as that which cleared the House some time ago. Only a few minor compromises are needed and they will no doubt be reached without difficulty.

Growth of the European Common Market and its almost certain expansion as well as increased competition in other parts of the world have made it imperative that this country get into position to negotiate freely with other countries. So the President is given broad power to raise or to lower tariffs on his own. The objective is, of course, to make it easier to meet competition and to stimulate trade.

This approach offers a real opportunity and challenge to American industry and labor. European industry has become increasingly automated. So has that of Japan. Our position as the world's top producer is under severe challenge. In some areas we have been surpassed. To hide behind high tariff walls in these circumstances as

some, including Congressman JOHN DENT, of Westmoreland County would have us do, would result in the rest of the world pulling out ahead in industrial efficiency and output.

It is plain that our own producers will have to work harder to meet competition. But they will reap the benefits of widening markets that economic growth is creating in Europe and elsewhere. Labor, too, will have greater responsibilities to increase output and keep down cost. Both are essential if we are to compete successfully. The new situation will require much thought and genuine cooperation and understanding between management and labor.

A major reason for the industrial and economic success of the United States in the past was the fact that within its widespread borders there were no trade barriers. Goods moved freely from State to State. We had free trade. Now we are about to work toward the same thing in dealing with other parts of the world, especially Europe and Japan.

It is an exciting challenge. It could bring a new and steady growth of prosperity in the free world's industrial nations.

You will note that reference is made to the fact that this should benefit the United States because the formulas of free trade between the States worked for over 150 years. Such an arrangement will work well in a similar trade arrangement between nations.

Of course, these proponents fail to recognize the vast difference between States in a like economy and free trade between nations with unlike economies.

In the free trade area of the United States we enjoyed a competitive equality in our laws, our currency, our labor agreements, our service charges, taxes, raw materials, shipping costs, and above all, rules of behavior such as antitrust and antimonopoly regulations.

These considerations do not obtain in a free trade area made up of nations with dissimiliar laws and regulations on these requisites to successful competition.

Again we are told that this bill will help exports. Exports of what? Frankly the whole history of our recent trade agreements shows that we are rapidly becoming the exporters of raw materials, component parts and the net importers of finished products.

The list of products from leather to lumber shows this to be true. Witness after witness before our committee on the impact of imports on U.S. employment in every line of activity in our industrial and agricultural economy proves the widespread damage already inflicted by the philosophy of unrestricted trade without regard to the economics of our national ability to compete in a world where the normal flow of trade is based entirely upon its commercial value.

Business Week carried—September 22—carries further proof of my contention this bill will create a monopolistic international cartel trade policy that will not bring the other nations up to our level but will instead bring this Nation down to the level of other nations.

I quote from this article:

Hamilton Watch Co. and Japan's Ricoh Watch Co., this week, formed a joint company for the assembly of electric watches. Hamilton will make electric parts in the United States and ship them to Japan for assembly. Ricoh will make all the mechanical parts.

Of course, under our method of trade bookkeeping, we will count the export of the electrical parts as a plus export without considering the job loss in the assembly and manufacturing of the mechanical parts. We also fail to take into consideration the fact that these watches will come back to the United States for the consumption of the American market. How this will help our economy baffles me.

Time does not allow me to cover the so-called favored-nation section of the act.

Ladies and gentlemen of the Congress, when the new interpretation of favored nations starts operating. This means that the so-called deal of 50-percent cuts and total elimination of all tariffs on some items extends to all nations. You can see how we have been duped. Why not honestly cut out the so-called Common Market agreement and spell out just what this bill does. It gives the same treatment to all countries and therefore we are leaving our doors wide open for nations not reciprocating with concessions to the United States.

This morning's mail brings more news of the impact of imports.

I enclose at this time two news items both affecting the economy of Lima and the whole economy of the United States.

SAYS DONORA VICTIM OF FOREIGN IMPORTS

(By Fred Hevia)

Describing the Donora plant as "the victim of foreign competition," United States Steel President Leslie B. Worthington said last night that "our hope for the future is the competitive research for bold, new ideas."

Except possibly for Donora, Worthington saw "better days ahead for the steel industry and the Monongahela Valley." He described himself as "bullish" about the future.

Speaking before the combined service clubs of Homestead, Duquesne, West Mifflin, Munhall, Braddock and Lincoln Place at the Homestead Elks Club, Worthington outlined steps taken by United States Steel during the past few years to modernize the corporation's production facilities in the area.

"We have made great progress in the past, but we have only begun to tap the vast potentialities of what I think of as this miracle metal," he said.

Reviewing the possibilities for the various plants throughout the Monongahela Valley, Worthington had this to say about Donora:

"The story of Donora once again is the story of competitive muscle. To put it concisely and bluntly, Donora is largely the victim of foreign competition."

[From the Pittsburgh Press, Oct. 1, 1962]

PENNSYLVANIA AND WEST VIRGINIA MINERS DEPRIVED OF JOBS BECAUSE OUR STATE DEPARTMENT PAMPERS BRITISH

(By Henry J. Taylor)

Tragic unemployment in distressed coal areas of Pennsylvania and West Virginia and, indirectly, in Illinois, Indiana, Kentucky, Arkansas, and elsewhere could be helped—and fast—if our State Department would please talk cold turkey to our good British ally.

Congressmen and Senators from the heartbreaking districts could well get the Department moving on this, and so could John L. Lewis.

These miners and their families want a future, not a past. They want work, not a taxpayer's dole. And now the skeleton of the State Department's massive inactivity walks out of the closet, snapping its fingers.

It takes a ton of coal to make a ton of steel. Britain's steel industry is flashing a major SOS to the British Government to allow American coal to enter England. None is permitted.

The British Government has twice refused the industry's formal petition. For England's coal mines remain nationalized, and the British Government forces the steel industry to subsidize the Government's mines by buying domestic coal at a far higher price than our mines can deliver coal to Newcastle.

Britain is living in the past in this matter, a past that is dead but still unburied, as if it had somehow got itself involved in one of Conan Doyle's stories of lost worlds.

"Steam," said Emerson, "is an Englishman." And so it was. Low-cost collieries served British steelmills at home and shipped British coal and merchandise overseas.

BRITISH GOT HEAD START

In England, also liquid iron was first purified of the phosphorus that make its useless. This added the decisive step in the march of modern metallurgy that gave English steel its worldwide headstart along with cheap English coal.

English-Welsh coal seams are now mostly thin, irregular and very deep—some squirming like offshore serpents under the sea. Much mechanization is impractical compared to ours here, where some seams are 10 feet—and more—thick and our supply literally boundless.

The Japanese precipitated the latest British SOS. Japan is the largest importer of American coal, lately surpassing Italy. The Japanese have signed large, steady, long-term contracts here that light many a miner's lamp in our coalfields.

Seeking further competitive advantage in world markets for Japanese steel, they have especially designed and built enormous coal-carrying vessels, tailormade to exactly suit our loading docks, cranes, etc.

The largest of these special ships, the giant Nini, recently made her maiden voyage to Newport News, Va. Then the new coal fleet travels half around the world and delivers American coal to Osaka cheaper than England's nationalized mines can dig coal that lays at the very gates of Britain's steelmills.

ONLY BRITIAN DOES IT

West Germany and Italy have similar contracts here. England is the only big market shutting us out. Thus, by importing great quantities of our good coal at great savings, Britain's rivals undercut British steel prices in many world markets on which the island's employment used to depend.

British industry and British overall employment, as British steelmakers point out, suffer because the British Government spurns American coal.

Certainly, American employment suffers in many areas officially designated as distress regions, receiving relief from our taxpayers. Moreover, the world trade concept we cham-

pion gets a royal bounce through the ironic fact that British industry itself is more persistent in pressing this no-American-coal grievance against its own London government than Washington is.

The new trade expansion bill will be really valuable to us only if our officials show new courage in such matters. The bill even carries a provision requiring U.S. taxpayers to relieve our workers unduly hurt by imports.

But when the chips are down our officials can often turn very weak in insisting other nations take imports from us.

And in this coal case, Washington's massive inactivity is readily paid for by U.S. taxpayers' relief to distressed areas in lieu of firmly confronting London with the hard fact that, after all, foreign trade may mean painful home adjustments but that these should be a two-way street.

Mr. Speaker, I need not at this time call to the House's attention the millions of dollars spent by foreign countries for lobbying activities in Congress, in the press, and by many front organizations to pass the legislation.

By the same token I will not belabor the action of House leaders in blocking the opposition from all opportunities to present its views on the floor.

Mr. Speaker, I cannot go into the publicly announced deals and trades made to pass the legislation, however, the textile agreements top them all.

In this regard, I offer the following interesting aftermath of the textile agreements.

No nation can successfully prosecute a successful and growing economy without protecting its cost of production, its source of revenue, and its incentive to growth.

Today the industry is awakening to the realities of life.

THE CARDED YARN ASSOCIATION, INC.,
August 10, 1962.

GOOD FAITH IS AT STAKE

(By J. Craig Smith, Avondale Mills, Sylacauga, Ala.)

Secretary of Commerce Luther Hodges, Assistant to the President Meyer Feldman, Assistant Secretary of Commerce Hickman Price, Jr., and other representatives of the Kennedy administration have repeatedly told our industry that under the long-term Geneva arrangement cotton textile imports would be held for 3 years to what came in during the Government's fiscal year which ended June 30, 1961, and that for the remaining 2 years of the arrangement there would be an increase of 5 percent per year. A rereading of the letter that President Kennedy wrote Congressman CARL VINSON dated February 26, 1962, would bring any reasonable person to the conclusion that the members of the Kennedy administration who made statements to our industry were speaking with the knowledge and authority of the President.

During the Government's fiscal year which ended June 30, 1961, total textile imports came in equivalent to 430,000 bales of cotton. During the first 5 months of 1962, the equivalent of 295,000 bales of cotton has come in. Preliminary figures indicate that the relentless tide of cotton textile imports continued to rise during June and July. If imports continue at this rate, more than 700,000 bales will be imported during 1962 instead of the 430,000-bale ceiling we were promised.

The major reason for this all-time high in textile imports is due to the tremendous windfall that comes to the importer because of the difference in price paid for cotton by the United States mill and the foreign mill. So long as an extra profit of $42.50 a bale can be made on cotton textile imports, the incentive to violate the Geneva arrangement makes it almost impossible to enforce that arrangement. This fact is apparent to any thinking person.

In point four of President Kennedy's program for the textile industry, he recognized the need for eliminating or offsetting the disadvantage the United States mill is in in respect to its raw material cost. In November of 1961, he asked the Tariff Commission to investigate whether or not an 8½-cent offset fee should be imposed on textile imports. He asked for this investigation in November of 1961. It is now August 3, 1962 and no action has been taken. This same Tariff Commission took less than 60 days to determine that more than two bales of imported cotton in the form of picker lap was hurtful to the cotton price support program and must be stopped. How much longer is needed to determine that imports at the rate of 700,000 bales are breaking the back of the American cotton industry and negating the raw cotton price support program? What action does President Kennedy have in mind to implement his commitments to the the cotton industry?

THE CARDED YARN ASSOCIATION, INC.,
Charlotte, N.C., August 8, 1962.

The executive committee of the Carded Yarn Association, meeting in Charlotte, N.C., today to consider the problem created by the flood of imported yarns took note of the interim report of President Kennedy's Textile Advisory Committee, as quoted in the Charlotte Observer.

Secretary of Commerce Luther H. Hodges, Chairman, reporting to the President for the Committee noted that the Committee, "is as much as ever concerned to press forward with the full range of measures proposed in your program of May 2, 1961," and "in particular, we would wish to note that the differential in the price of cotton purchased by domestic producers and the price paid by foreign producers continues to result in severe import pressures on the American market."

Under present Government policies foreign spinners buy American cotton 8½ cents per pound or $42.50 per bale cheaper than can American spinners.

W. R. Austin, president of the Carded Yarn Association speaking for his committee, said that the impact of imports on the carded yarn industry is dramatically illustrated by published Department of Commerce figures which show that as of June 30, 1962, 19,759,125 pounds of carded yarn had been imported in the first 9 months of the Short Term International Textile Agreement against a 12-month quota of 9,776,000 pounds.

The executive committee is convinced that the import offset fee is the most effective means of restricting excessive imports of carded yarns and urges immediate and favorable action by the Tariff Commission and the President.

The Carded Yarn Association, Inc.—Published import figures through June 30, 1962

Country	Short-term Geneva agreement quota versus actual imports, Oct. 1, 1961, through June 30, 1962	
	Carded	Combed
Portugal:		
Quota	5,289,000	2,353,000
Imports	10,374,480	1,923,811
Colombia:		
Quota	0	0
Imports	2,295,732	94,295
Israel:		
Quota	419,000	0
Imports	1,543,310	169,119
Egypt:		
Quota	849,000	44,000
Imports	2,086,015	401,390
Mexico:		
Quota	408,000	0
Imports	1,178,629	0
Taiwan:		
Quota	0	0
Imports	1,000,000	0
France:		
Quota	816,000	25,000
Imports	733,678	4,836
Spain:		
Quota	1,427,000	123,000
Imports	237,208	402,237
Switzerland:		
Quota	55,000	113,000
Imports	22,095	181,047
Italy:		
Quota	94,000	8,000
Imports	176,433	320
United Kingdom:		
Quota	1,000	88,000
Imports	1,000	58,716
Lebanon:		
Quota	4,000	0
Imports	50,809	0
Belgium:		
Quota	2,000	1,000
Imports	200	17,546
Greece:		
Quota	0	0
Imports	0	116,976
West Germany:		
Quota	1,000	2,000
Imports	0	83,826
East Germany:		
Quota	0	0
Imports	19,606	0
Canada:		
Quota	0	0
Imports	33,930	0
All others:		
Quota	411,000	34,000
Imports	6,000	2,693
Total	{ 9,776,000 {19,759,125	2,791,000 3,456,812

[From Business Week, Sept. 22, 1962]

THE BUSINESS ABROAD PATTERN—COTTON TRADE INEQUITY

When the Tariff Commission recently declined to impose an equalization fee on imported cotton textiles, most people scarcely noted the action. Few, in fact, recognized that if the equalization fee had been imposed it would have operated as an overriding tariff of 8½ cents a pound on the cotton contained in imported textiles.

Significance: The Commission's refusal to impose such a barrier has at least two important implications:

It puts the administration in a better position to take the lead in promoting a freer flow of world trade. The equalization fee would not only have cut down foreign textile shipments to this country but also invited retaliation against our exports. Even now, our subsidization of cotton exports highlights a problem that will loom large

in future negotiations to reduce trade barriers. This is the fact that we sell our crops abroad substantially cheaper than at home—a situation known as dumping when it involves manufactured goods, and one that already is a bone in the craw of other countries that are exporters of farm products.

An inequity long suffered by our textile industry now must be faced squarely. This is the fact that foreign mills can buy American cotton, under the export subsidy, 8½ cents a pound cheaper than domestic mills and sell textiles made from this cheaper American fiber to U.S. consumers to the extent that their quotas permit.

Implicit offer of help: World trade in cotton textiles is important not just to our own mills but also to exporters in western Europe, Japan, and Hong Kong. Yet, by implication, our domestic mills have been given to believe that they won't be subjected to the full brunt of freer trade. This came about (1) when the State Department took the lead in organizing a system of world export quotas (getting foreign countries to agree on limits beyond which they would not ship to us, among others), and (2) when President Kennedy asked the Tariff Commission if an 8½-cent equalization fee should not be slapped on textile imports.

That is is unfair for domestic mills to be forced to pay the full supported farm price for cotton is obvious. But the equalization fee would have been a halfway measure at best; it would have equalized the position of our mills within the United States but it would not have helped them to recapture traditional export markets. This is quite aside from its burden on the flow of trade.

Now that the Tariff Commission has spiked the equalization fee, what next? That, in effect, is what the President asked as he tossed the problem to the Agriculture Department with instructions to figure out some method of ending the inequity that is visited on American textile mills.

Possible solutions: One clean solution would be to junk the price supports for cotton on which the two-price sales policy rests. Then everyone would pay the same—but U.S. cotton planters obviously would get less for their output.

Or we could adopt a one-price system and continue to pay farmers 8½ cents a pound more than their cotton will bring in world markets. This amounts to a small matter of a bit more than a billion dollars on the 14 million bales of U.S. cotton that will be used in the 12 months to next July 31.

Or we could let cotton seek its own market level—again a one-price plan for all comers—and give cotton farmers an "income adjustment" payment.

These, and variants, presumably will be considered. The most logical solution, of course, is the first, but it will have little political appeal.

Mr. Speaker, recently a small but ominous incident occurred in France that should show the direction of the winds that will fill the sails of the free trade proponents of the nations foolish enough to believe that they can run away from their moral obligations to their workers, their communities, and above all, their nation.

[From Business Week, Sept. 22, 1962]

FREEDOM TO FIRE IN FRANCE—GOVERNMENT OFFICIALS PRIVATELY DISCOUNT MINISTER'S BLAST AT GM AND REMINGTON RAND FOR ANNOUNCED LAYOFFS, CLAIM STATEMENT WAS FOR DOMESTIC CONSUMPTION

U.S. companies with plants in France were discreetly reassured this week that the French Government did not mean precisely what it seemed to say when it denounced 2 U.S. manufacturers for planning to lay off 1,000 workers. Government officials indicated, hastily and off the record, that "domestic considerations" had prompted the statement, and that France's attitude toward U.S. investment remains as friendly as ever.

The French Minister of Industry, Michel Maurice-Bokanowski, had responded to layoff notices by General Motors and Remington Rand with the statement that he would not permit "certain isolated enterprises to practice an irresponsible policy that does not respect the social contract linking a financially powerful enterprise to the labor it employs."

Considerations: U.S. companies immediately wondered if this presaged stiffer controls over their French operations, particularly their freedom to cut work force as business conditions changed. In their hopefully tranquilizing disclaimer, French officials cited the following domestic considerations:

A widespread French belief in full employment as something close to a religion. In this view, layoffs of any size are heresy.

The bad timing of the General Motors and Remington Rand announcements, which were issued just as Government officials were sitting down with union and business representatives to talk wage policy matters.

With these facts of political life confronting it, the French Government decided it had no choice but to issue the unusual ministerial denunciation.

Justified: Both U.S. companies feel they have a good justification for their action. They describe the layoffs as a simple reaction to new conditions brought about by France's involvement in the Common Market. They say that French companies are undergoing the same process but that—understandably—U.S.-owned outfits are more open to criticism.

Remington, which employed some 1,200 workers in a typewriter plant in Lyons, is concentrating its European typewriter production in a more modern plant in Holland. It intends to keep its French factory working on other types of office equipment, but will need 300 fewer employees. Remington officials point out that more than 80 percent of the 300 laid-off workers have been relocated.

Privately, the officials complain that the French Government is itself partly responsible for the decision to shift to the more efficient Dutch operation. A big buyer of typewriters, the government has recently been buying the cheaper West German models.

Hard hit: General Motors, which employs some 3,100 workers in its Paris refrigerator plant, wants to let go about 680 employees. Like most refrigerator producers in France, it has been hard hit by imports of cheaper Italian units. GM officials say its adjustments to the new market conditions are similar to those of other producers, but that—as France's leading refrigerator company—it draws more attention than its smaller competitors.

They also note that GM, almost singlehandedly and in the face of considerable French skepticism, successfully established the refrigerator industry in France after World War II.

Equal treatment: Actually, as a member of the Organization for Economic Cooperation and Development (OECD), France is obliged to treat all OECD members—including the United States—on an equal basis. Then, too, the French are still extremely anxious to attract U.S. direct investment rather than see such investment go elsewhere in Western Europe.

For all these reasons, U.S. business circles in Paris calmed down quickly after the GM-Remington affair. In fact, no one was surprised when Maurice-Bokanowski warmly accepted an invitation to be guest of honor at the annual fall dinner given by the Paris branch of the U.S. Chamber of Commerce.

At this time, Mr. Speaker, I will present a more complete analysis of the legislation, its contents, its implications and possible effects upon our future.

Mr. Speaker, recently, in the Pittsburgh Press, the following statement appeared:

Our city depends on labor for its economic existence. The bulk of the breadwinners in this district tend blast furnaces, mine coal, mold glass, participate in occupations which are dependent on these industries.

We are not an area of white-collar workers. We do not have the broad harbors of the coastal cities, nor do tourists flock to see the sights of our town.

Without heavy industry, Pittsburgh as a bustling metropolis would cease to exist.

But we are in the precarious position where most of those employed derive their income from industries that today are threatened with increased competition and higher costs.

This pretty well sums up the national problem we face when we discuss jobs and trade. As members of this committee you can understand why I am so disturbed over the publicly announced statements by officials of our Government that certain industries are expendable and must be sacrificed to what President Roosevelt called the will-of-the-wisp of foreign trade.

Let me assure all of you of my keen interest in the problems of the world as well as my country, and my congressional district. I am not now, nor have I ever been, an opponent of free trade as such. I am for as much free trade as we can afford.

I have found that when you scratch a free trader, he bleeds like a protectionist.

Recently—dated February 16, 1962—I received from the Administrator of the Area Redevelopment Administration a report on progress to date from the Department of Commerce. I call your attention to the meat of the report as contained in the last three pages.

The statistics cited show 11 distressed areas receiving aid amounting to $2,900,000. Added to this there was $6 million of local and private funds for a total of $8,900,000.

Jobs that are expected to be created number 3,600. Simple arithmetic shows that we would require about $11 billion to retrain the unemployed workers now on the list. No one can estimate how many more will be unemployed by the passage of this conference report.

This is not condemnation or criticism. I just refer to it as a subject related to the new trade act, H.R. 9900. We are asked to support H.R. 9900, as written—and yet, we are told more unemployment will be created by this legislation. We are told more industries will be put out of operation. We are told that the Trade Adjustments Act will provide aid, subsidies, and loans, plus retraining for displaced workers.

Would it not be better to keep the jobs we have and charge "diplomacy" up to general taxation rather than to jobs and wages, industry and profits? I find that we can believe that part of the propo-

nents' statements that claim we will close plants and curtail productions, reduce jobs and job opportunities if we pass the bill in its present form.

The dying flat glass industry was given a new lease on life when the President raised protective tariffs. Incidentally, this puts the rate somewhere in the neighborhood of the rates prior to Reciprocal Trades Agreements. For this, the President will be commended by the glass industries, but I wager the Belgians and other exporters will condemn and threaten our Government with embargoes and reprisals. In trying to save our glass industry we may well lose all the so-called diplomatic gains for which we sacrificed our industry.

Whether there is any significance in the President's postponement of the effective date other than the publicly announced purpose: giving Japan and Belgium an opportunity to adjust their economies, time alone can tell us.

The Tariff Commission made these recommendations almost a year ago. It would seem that the trading countries would have had a sufficient time to have at least prepared for an eventual increased tariff. This again points up the seriousness of making trade agreements based upon the changing demands of diplomacy, disregarding the econmics and the affect upon our job economy.

About a year ago our community had notice of the closing of the Malleable Iron Division of the Walworth Co., Greensburg, Pa. We received this news with a great deal of concern. Our area has, for a long time, been below par and jobs are at a premium.

Statements from employees, as well as management, of Walworth Co. said that competition from imports made it impossible and uneconomical to operate in this production facility. Mr. Edward Riffle, President of Walworth Local Union No. 1275, Greensburg, Pa., made the following statement:

> The main reason for closing is foreign imports coming into this country and being sold for less money than the Walworth Co. can start to produce the product. This has forced them out of business and has caused the layoff of approximately 400 employees. We think that you, Congressman DENT, can help to have this difficulty overcome by higher tariff on imports from foreign countries. Please give this matter serious consideration and do something to take care of this problem.

Correspondence from Labor Union Council, AFL–CIO, Greensburg, Pa., Mr. James J. Chinnici, said:

> Walworth Co. supplied the first atomic submarine, the *Nautilus*, with fittings and products. Now they are going out of malleable fitting business. By the end of June, 500 people will be left jobless. Cite this as only one example of what is happening all over this State, as well as the United States. We believe that foreign competition is responsible for a great many of the citizens of this great Nation being jobless today. Jobless numbers are increasing and the economic level of our Nation is rapidly declining. This has to stop and stop soon. I beg you to look into this situation. Do what you can to correct it. I believe that the tariff on imports to this country should be raised to meet foreign competition. The die is cast. We place in your hands the responsibility of correcting this situation.

You can see why some of us are put in the position of being the Devil's Advocate on any proposal that would, in the opinion of these citizens, further depreciate their job opportunities.

I am also in receipt of a wire from R. A. Hardy, president of the Greater Greensburg Chamber of Commerce, Greensburg, Pa., and I quote:

> Westinghouse atomic reactor plant in Waltz Mills closes March 25. One hundred and seventy people most highly skilled in this type of work to be let out.

Many of these workers have a generation and a half of steady employment. Highly skilled nuclear plant workers ask what they will be retrained for under the Trade Adjustment Act. I do not feel that aid in the future will do any more good than closing the barn door after the cows get out. These matters are very serious to those of us in close contact with our people.

Approximately 600 primary jobs are at stake. According to the chamber of commerce statistics, 600 jobs lost to this community means the loss of income sufficient to maintain 24 retail establishments; loss of $2,160,000, in retail sales; loss of the use of 642 automobiles; 1,044 additional workers will lose their jobs; the loss of $3,540,000 in personal income; bank deposits will lose an additional net account of $1,940,000, and the sustaining revenue for 1,776 persons will be taken from the community. These figures are statistical data provided by the chamber of commerce on the affect of a job loss in any community.

My district is a distressed area. We have gone through the economic depreciation of our coal industry because of imports of residual oil. Our aluminum houseware goods have been carrying the brunt of reduced employment because of imports. Our tool steel industry is challenged by unfair competition from abroad. The handmade glass industry has been told that it is expendable. The relief being given by the President to the flat glass industry will require the passage of time to regain the markets lost because of the imports of glass.

In every field, in every effort, in every area, the unrestricted, unbalanced application of our foreign trade policy has caused unemployment, depreciated investments, curtailment of production, and increased relief rolls. All of us want free trade, and we should have it just as soon as we can afford it.

Any trade that benefits one group, and injures another, is not equitable and cannot be justified either from the base of economics, diplomacy, or political expediency.

I stand ready to vote as I have in the past for all remedial legislation to help our economy, but I see little purpose in continuing to vote for injuries that are self-inflicted.

I do not know what we can do for these displaced workers. We want to help—this I am sure of.

Many are too old, and will end up on relief rolls. This condition cannot be tolerated. It is not the exception, it is becoming the rule in our economy, to have production facilities closed because of unfair competition over which they have no control.

Reports from my home State that the announcement of the President's tariff increase for glass created the highest community enthusiasm since the end of the Korean war.

Facts and testimony presented before my Committee on Imports show that hundreds of industries and individual plants are in the same precarious economic position.

Alone there is not much I can do. With your reevaluation of the trade position, hope can be given to these discouraged workers that their Government considers their welfare paramount and that no injustices will be done by legislation to create further injury. The loss of these 470 direct employees means, according to the chamber of commerce figures, loss to the community of the sustaining income.

Before pursuing this phase any further, let us see how much our distressed areas and distressed businesses can expect by way of help from the Government agencies set up for this purpose:

> MARCH 10, 1962.
> In re LG144,013–Pgh–SBA.
> Hon. JOHN H. DENT,
> *House of Representatives,*
> *Washington, D.C.*
>
> DEAR JOHN: The purpose of this letter is to extend our grateful thanks for your efforts in attempting to gain for us a Small Business Administration loan. As a lifelong Democrat who has always believed there was a real difference between the two great political parties of our land, in that the Democratic Party seemed more aware of the needs of the little man, it gladdened my heart to find that at least the elected officials do follow this philosophy. You and your entire staff give us splendid cooperation. It was heartwarming to find a Congressional Office so responsive to the needs of a constituent. I consider it a tragic disillusionment to find the agencies of our present Administration do not follow the philosophies of the Democratic Party.
>
> The nation is striving for 25,000 new jobs a week according to the President. Today we laid off 14 people. We have already closed the doors in one of our locations. The 18 teachers who use our studio facilities must be notified that this 57-year-old institution is closing down; 300 music students must look elsewhere for their lessons. The luncheonette next door will no doubt close down because of the loss of our trade. The Pittsburgh area is in serious economic trouble. According to a recent radio report the unemployment rate is nearly 20 percent in the soft coal areas and about 12 percent in the steel regions. Healthy, able and willing men are idle and subsisting on surplus food. This area is in need of real and substantial help. It is a tragic wrong that a business grossing $700,000; the seventh largest Wurlitzer organ dealer in the country cannot obtain $75,000 from the Government in a period of adversity. This is so in spite of sufficient collateral, and a proven record of ability to repay monthly sums very substantially in excess of the required monthly payment under the SBA loan requested.
>
> It is easy to find the arguments why a loan should not be granted to any applicant for the aid of the SBA. After all, first, one must be turned down by the local banks. It would take some courage to make any SBA loan requested. But isn't it the purpose of the SBA to provide a source of money to worthwhile concerns who are making valuable contributions to their area and do have an ability to repay. My creditors

showed courage and postponed some of their debt to the amount of $24,000 for 2 years.

Yes, my creditors demonstrated their confidence in us and I venture to say most of them are Republicans.

Our SBA loan has been refused on exactly the same grounds one would expect from a moss-backed conservative of the "Marcus Hanna School." It is my considered conclusion that the SBA is using the same standards of loan requirements as a banker in the days of the Hoover administration. It is clear that the SBA is failing to serve its purpose of aiding the small businessman who cannot obtain necessary money through conventional channels.

It is difficult to understand why an agency of our Democratic administration has handed a death sentence to a family company with a 57-year history of never missing a payroll. A 57-year-old company that has always paid its bills (no matter how difficult it has been at times.) A 57-year-old company whose tax contribution to the Federal Government alone, has been many, many times in excess of the loan requested. It would seem that even enlightened self-interest would recommend the SBA the risk be taken to preserve this source of revenue for the Federal Government.

The people of this area are loyal Americans and a vast majority are Democrats. We have borne the crushing burden of taxation that has virtually confiscated the fruits of 4 months' labor, each year, because we believed in the principles our Government represented. We have seen the Marshall plan rebuild our competitors with our money. We have seen the over $180 million handed out to the Arabs in the U.N. camps of Trans-Jordan (I wonder if they were able to show past earning power and the proper debt-to-equity ratio?). It is difficult to believe that the very people who have supported our Government and made these international grand gestures possible are to be denied aid in their time of need.

In the word of our Democratic mayor, Mr. Edward Zaleski, when speaking to the SBA loan officer, "New Kensington cannot afford to lose Cooper Bros. It would be a critical blow to the morale of our city at a time when the people have had their confidence shaken for the future. We must find a way to help them over this difficult period." It is a sad commentary on the New Frontier and our Democratic administration that they did not have the courage to respond to this challenge.

Your kind cooperation has been appreciated.

Very truly yours,

COOPER BROS., INC.

You may wonder why I put this letter into the RECORD at this time. Frankly, it is because the Director of the Small Business Administration, just recently, made a long and appealing statement in behalf of this legislation.

I figure it is time to let him and the committee know that if we pass this bill, as written, he can get a lot more rejection slips ready.

COMMON MARKET

Adlai Stevenson, in a speech in Bloomington, Ill., January 23, 1962, said the Common Market is our only choice if the U.S. economy is to continue to grow. He called it a moral duty, or words to that effect. Morals in international trade are like friendships in a poker game. They only count if you have the winning hand.

Many important Americans, in and out of Government, have called the Common Market a threat and have predicted the doom of the U.S. economy unless we court and marry the European countries, without delay. In my opinion, such a union would be a shotgun wedding.

I feel that if the American people lose their sense of balance in this instance, it will be the most tragic mistake in our entire history. After a proper time spent courting, the day may come when a marriage between our economies may have a chance of fruitful union.

In the main, you will note that the promoters—and I use the word in its full meaning—are those amongst us who are in one or more of the following categories: salesmen, exporters, importers, politicians, State Department and other civil service employees, foreign agents and representatives, public relations firms, lawyers, investors, manufacturers, and oil companies with international holdings and interests, dreamers, economists—especially the politically favored ones—international bankers, labor economists, and international leaders in some of the organizations, a few who never question a party policy, a few who have ambitions they believe will be best served by going along, and, finally—those amongst us who "get consideration" for certain products or industries affecting their own districts and States. In the final analysis, this last group—the elected Members of Congress—particularly, are the ones who must assume the full responsibility for whatever program this Nation adopts in the field of trade and Common Market commitments.

I disagree with the proponents of the bill, when they use the Common Market as the bogeyman for scaring the American people into a move that can well destroy our basic concept of a free enterprise government. I do not consider the Common Market a bogeyman, a Frankenstein, or a commercial threat. It was conceived and brought into being by our own State Department as a buffer area—economically, militarily, and diplomatically—as a tool in the cold war strategy. In these areas, it fulfills its promise.

One of its chief architects is now an official of our Government and the chief promoter of the present plans for a new trade program and the Common Market. We would be derelict in our duties if we failed to properly consider the grave consequences of basing our action on H.R. 9900 without dispelling the distorted picture of the Common Market presented to Congress and the American people by the aforementioned group, as well as some few Americans who, for reasons best known to themselves, are sincere free traders.

At this point, I would like to present a partial list of the participants in the U.S. Trade Policy Conference. Even a casual examination will verify my statement as to the interests of the main proponents of this legislation:

CONFERENCES FOR CORPORATION EXECUTIVES, U.S. FOREIGN TRADE POLICY, SPONSORED BY THE SCHOOL OF ADVANCED INTERNATIONAL STUDIES—JOHNS HOPKINS UNIVERSITY, MARCH 6 AND 7, 1962, HOTEL STATLER, WASHINGTON, D.C.

Participants: Arabian American Oil Co.; Asiatic Petroleum Corp.; Chamber of Commerce of the United States; the Chase Manhattan Bank; Committee for a National Trade Policy; E. I. Du Pont de Nemours & Co.; the European Community; Federal Reserve Bank of New York; the First National Bank of Boston; Ford Motor Co.; the Gilette Co.; IBM World Trade Corp.; Individuals—Christian Herter and several others; Institute for International Development; International Business Machines; International Federation of Petroleum Workers; International General Electric Co.; International Minerals & Chemical Corp.; International Nickel Co., Inc.; New York Life Insurance Co.; Owens-Corning Fiberglas International, S.A.; Pan American World Airways; Pfizer International Inc.; Phelps-Stokes Fund; Republic Steel Corp.; Societe D' Information Financiere et Industrielle, Inc.; Sverdrup & Parcel and Associates, Inc.; Underwood Corp.; United Nations Economic Commission for Latin America; United States-Japan Trade Council; Washington Board of Trade.

U.S. Government: Department of Agriculture; Department of the Army; Department of Commerce; Council of Economic Advisers; Department of Defense; Federal Reserve Board; Foreign Service Institute; Industrial College of the Armed Forces; Department of Labor; Library of Congress; National War College; Department of State; Department of the Treasury, and the U.S. Information Agency.

I sincerely believe that this generation of Americans is faced with the most serious economic decision of our history since the historic session of Congress in 1828. History tells us that it was during this session that our young Nation faced the momentous decision between carrying on the protective tariff policy borne out of the War of 1812, or going back to the free trade policies of Adam Smith and his "Wealth of Nations."

History also records that the great Americans of that day led by Daniel Webster, the arch enemy of protectionism, shifted their votes and voices from free trade and carried the day for the future greatness of America. We are told that this was yesteryear, and we now live in a new world.

Every generation has been compelled to face a new world. It is our turn, and looking forward requires quite a bit of looking backward to see where we are heading. As the Pennsylvania Dutch put it, "We have to back up straight ahead." You can plan the future, but you can not change the past.

TELL THE WHOLE STORY ON TRADE

In the past few weeks we have been bombarded with statements on why we must lower or eliminate all tariffs on imports and why we must accept the fact that some American industries will be sacrificed to permit imports from foreign countries. In support of this plea for unlimited and unrestricted power, the advocates contend that our exports exceed our imports by over $5 billion and we must import more if we wish to continue to export. If we were selling more than we are buying, why would we have a deficit of over $2½ billion in our balance of payments for 1961?

The whole story is not told by this statement of $5 billion of excess exports as you are not informed that this excess consists of over $1 billion in military supplies, over one and a quarter billion dollars in agricultural products exchanged for soft currencies, $200 million of ICA purchases, another billion dollars of subsidized agricultural exports and additional sums for subsidies on cotton, and so forth. In addition, there is the additional one-half billion dollars it costs our Treasury to subsidize the agricultural exports. Adding all of these figures to-

gether it is quite clear that we have no excess of exports over actual dollar imports. Therefore, we do not need to import more in order to maintain the balance of trade. We might consider cutting out the subsidized and giveaway exports.

Another untold story is that the import figures are given in foreign origin value and do not represent equal purchases at prices which would be required by American producers. We therefore export at one value, and import at another value. In this process we export fewer items and receive tremendous quantities in return.

A third untold fact is the statements relative to the number of people directly or indirectly affected by foreign trade. You have not been told that among those directly affected are workers who work the greater percentage of their time in producing domestic products, and you are also not told that included in those indirectly affected is your grocer, your banker, your lawyer, and even social service workers, all of whom would hold their positions and do their work even if there were no imports. How little this group is affected can be illustrated by asking your grocer the question of whether he would close down if he had to stop selling coffee.

The question which is avoided and unanswered in this propaganda is how many American workers have been affected and how many may be affected in the future. There is no answer simply because no money is available for an item-by-item, industry-by-industry, job-for-job, payroll-by-payroll study. Nothing less will tell the whole story. I ought to know. I have been working, holding hearings, reading hundreds of briefs—trying to come up with answers on how many jobs are displaced by imports. One point stands out clear—clear enough for all to see—for every $1 spent to find out how many jobs are lost, $1,000 is spent to show how many jobs we gain.

One of the serious problems facing the American Congress and, in turn, the American people, is the lack of press, radio, and TV coverage of the other side of the free trade versus protection policies for American jobs and industry. One thing I can say without fear of contradiction, is that for every word given to the so-called protection group, whole pages are being given to the free trade group. Local newspapers, commonly known as hometown papers, are doing the only good job of reporting this issue up to date.

In 1958, I made a public prediction. I said then and repeat now, "every industry that expands overseas will become pro-free trade as soon as the foreign profits start rolling in." I have searched every scrap of writing I can find; I have visited as many countries as physically possible; I have tried to give American industries and workers an opportunity to give their story to my committee. I have talked to every person interested in the subject of trade and I have not found one person, or nation in the whole world, that does not protect its payrolls, its industries, its minerals, and is agriculture.

While we are talking more free trade, reducing our already low tariffs, we find that every other nation, either individually or collectively—Common Market—is reducing internal barriers, but increasing external barriers. How else can the Common Market succeed? Can the member countries allow goods to come in below their cost of production and still prosper? They cannot, anymore than we can.

We found this out in the earliest days of our history and because we learned our lesson in trade economics, early and well, we created in this country what is now being heralded as a miracle in the Common Market, we created the largest, most profitable market in the world. Every time in our history, when tariffs went below 20 percent on imports, we ran into serious trouble. Our first depression followed the tariff-cutting program of 1832. Although the Congress proposed a cut in tariff rates from 45 to 20 percent we never made it. By the time we reached 30 percent we were in the grips of a recession that forced a revision of plans and upped the tariffs again to the 1832 level.

Maybe tariffs are not the answer, but it is historical that every time we cut tariffs we had a recession. We are told that protectionism is a bad word and worse, a bad national policy. If this is so, why do we have immigration laws? Why do we bar peoples, and yet we do not bar the products they make? How much difference is there between a foreigner coming to the United States and taking your job, or staying home and sending to America the products you produce? In either case, you lose your job.

It is a peculiar twist of mental maneuvering by some persons that see logic in restricting the importation of teachers, newspapermen, lawyers, doctors, professionals, and the peoples of nations. The same persons see no harm in flooding the market with the foreign products of steelworkers, auto makers, and other production workers.

The Members of Congress from the South, the West and other areas that enjoy protective tariffs and quotas on wheat, corn, cotton, tobacco, and/or Federal subsidies to protect their costs of production, join in the anvil chorus against Members who have plants shut down, workers displaced by imports of low-priced foreign articles. Let us see what our friends and neighbors are doing and then decide whether protectionism is a bad word, or a bad policy for a nation and its peoples.

Canada has a "Made in Canada" rule for customs that openly espouses the protectionist policy. When any item is produced in Canada and reaches a production of at least 10 percent of the consumption of that product in Canada, the Custom's Office raises the tariffs on imports for the practical and simple purpose of protecting its industry.

They thus allow it to grow without competition from imports that can undersell the local product and it does not matter where the products come from, the United States, Hong Kong, Japan, or the Common Market.

In this past year—1961—57 such rulings increasing tariffs were quietly put into effect. The latest increased tariffs were put on tires, electric home dishwashers, powerboat controls, surgical room lights, lighter flints, dry cleaning equipment and dozens of other items.

Contrast this with a few examples of our own disregard of the facts of our economic life. In 1947, we imported 480,000 lighters; in 1959 we imported 46½ million. In 1961, we imported 409,000 dozen tennis balls in the first five months—no figures available yet for the full year—against a total 12-month consumption in the United States of 1 million dozen. Five years ago southern California planted 35,000 acres of tomatoes; this year less than 2,000 acres were planted. For every two tons of steel we sold in 1961 we imported three tons. Iron ore imports have made Minnesota mining fields a depressed area.

Because of imports, West Virginia has become a depressed State economically, with some stories of certain communities having only two persons earning an income—the postmaster and the storekeeper who cash the relief checks.

No item produced in Mexico can be imported except in restricted quantities and with exorbitant tariffs. Mexico protests import duties by the United States on minerals, yet it imposes an export duty on these same minerals.

The Common Market countries tariff all items imported which can be produced within the market. They will only buy what they need, and will tariff everything else. No sugar- or coffee-growing country imports sugar or coffee. In fact, all the workers in industry ask for is the same protection for their "cost of living" as we give to the wheat, cotton, and tobacco growers. Sugar countries, while receiving U.S. subsidies over the world price, impose export duties on their own sugar.

Imagine what would happen if the United States joined the Common Market. Following the regulations and tariffs in force we would have to follow suit and put the 75-cent-a-pound tariff on coffee that West Germany has on coffee. What then, would our program of Alliance for Progress with our Latin neighbors accomplish? In fact, our West German friends have a $5.06 a ton tariff on American coal to protect their costs of production of domestic coal and the jobs of their coal miners.

At this time it might be good to review the editorial that appeared in a leading West German newspaper of recent date. Maybe they have in mind giving jobs to our unemployed coal miners, tool steel makers, turbine and generator workers, radio, electronics and consumer goods workers who—because of their protective tariffs, and our open markets—are out of work.

I quote verbatim, the editorial appearing from Bonn, Germany:

West Germany Job Openings—Bonn, Germany, December 3.—A leading newspaper suggested today that West Germany import jobless Americans to meet an acute labor shortage.

Handelsblatt said in an editorial the U.S. Government might cooperate in the scheme—by paying the transportation costs or offering a subsidy to make up the difference in wages in the two countries.

"As for the willingness of many Americans to work in Germany," the newspaper commented, "this can hardly be doubted."

The United States has close to 4 million unemployed; West Germany has a half million jobs to be filled.

A well-known labor leader suggests the labor pool theory and suggests we trade workmen according to a recent release. He suggests the use of a labor pool of our skilled unemployed who could then be hired by any nation needing such skills.

A very simple plan to take care of workers laid off because of automation has been thought up by a manufacturer of automation machinery. Distressed by what his machinery is doing to workers, manufacturer John I. Snyder, Jr., of U.S. industries says with the bluntness of a successful manipulator of machines: Export people.

He has announced the selection of President A. J. Hayes, of the Machinists Union, to help him work out his plans for the unemployed.

Snyder feels that 10,000 volunteers could be found right away to be sent overseas with the Government making the arrangements and foreign employers paying the salaries of the exported Americans. Then, he would have us increase the numbers shipped out.

We've tried to examine all sides of this solution. Whenever a manufacturer installed a new automatic machine he could have figured out in advance how many workers would be displaced. As the machines came in he would hand out travel tickets, passports, visas to some foreign country, so there wouldn't be any break in continuity of service.

MAKE PROSPERITY PERMANENT

In this way prosperity could be made permanent in the United States and no manufacturer or user of automatic machinery could have a guilty conscience at the millions of unemployed. It would also improve their unemployment compensation ratings.

The transporting of millions of people would be a tremendous boon to the train, bus, plane and ship transportation industries. Manufacturers of traveling bags would benefit, also.

SOLVE THE HOUSING SHORTAGE

Sending a few million people away, and more as automation advanced, could solve the housing shortage and eliminate the need for building more schools. Instead of a housing shortage we'd soon have a surplus which could lead to a break in the high cost of renting and buying homes for those of us still at work—here.

The only remaining problem as we see it is to figure out where to send our displaced persons. If GE lays off a batch of lampworkers, would it be all right to send them to work in GE's Japanese lamp plants? Or would it be better to ship them to some country which has no lamp industry, like the Congo, or Peru, or Thailand?

And where would Westinghouse, for example, send automation-displaced turbine workers—to Afghanistan, Outer Mongolia, or perhaps Albania?

Snyder, Jr., says that the foreign employers would pay the wages of the exported Americans. How much, Jr.? Thirty-three dollars a month in yen? Or maybe $200 a year in Afghan currency

It's time to get specific, Snyder.

I do not know how you all feel about shipping your neighbors overseas, chasing after the jobs Congress and the trade policies of our country have deported in the last decade. Usually deportation procedures are a long, hard-fought battle with the intended deportee fighting for all he is worth to stay here in the land of the free and home of the brave.

I can just hear my immigrant father—God rest his soul—reading these statements and blasting loose with his famous remark about "free schools, dumb people." I do not want to leave, and I am not going to be part of any plan that intends to send my friends, neighbors, and even some of my family, to Europe, Japan, Hong Kong, or anywhere else against their wishes.

It may work; I am not qualified to express a positive opinion. This much I do know—I want to live and die, work and raise my family in this, my own native land. A well-known importer has gone even further and suggests exportation, lock, stock, and barrel, of our American unemployed. I wonder if they would, at the same time, expect Congress to pass an appropriation to turn the Statue of Liberty around to face the other way?

In other words, we will add our greatest national asset—manpower, skilled, trained, and intelligent—to the money; know-how, sales promotion, and domestic market already given to our competitors overseas.

I can remember, not so long ago, when we were going all out to create jobs for the Japanese and the West Germans. How can any American legislator vote for trade legislation and how can any administration continue a trade policy that allows this kind of a situation to exist and in fact, grow. The Japanese said something along the same line when they suggested "now that you admit we can make things cheaper and better than you, you should stop making these items."

It is bad enough for foreigners, interested in their own welfare and profits, to take this attitude—but how much worse can we get when our own State Department suggests we abandon certain industries, eliminate certain trades and jobs, subsidize injured industry and retrain workers for jobs not yet taken by the Japanese, Germans, and so forth, all over the world.

Let us make one point and make it clear, without restrictions. I favor a common market with any country, any group of countries or any area, just as soon as they gain our economic standing, our wage levels, our costs of living, our way of life. We can help them and we have. We cannot help them or ourselves, unless we have full employment.

The truth is that we will have more serious trouble taking our market back after we give it away. Proof of this is the classical case of window glass. After years of protesting low tariffs, the imports became so great that even an anti-protection Tariff Commission had to order tariffs put back to where they were in 1933.

The Belgian Government protested. They demanded their share of our market, regardless of our unemployment or anything else. What happened is recent history. The President refused to sign the tariff increase and it was back in the Tariff Commission for further study—after 27 years of study it was back on the President's desk, still calling for tariff protection. At long last, after years of protesting, President Kennedy has ordered relief and protection for the glass industry.

Without some relief the glass companies would have had to fight for a faster depreciation rate, automate their plants, reduce employment, compete with foreign countries for U.S. consumption, and in the end—if they could get low enough in costs—drive the Belgians and Japanese out of our market. How would the foreign countries react? Read your papers. Some even threaten reprisals.

This is not as farfetched as some of you may believe. Not too long ago, our Ambassador to Japan made such a statement—although it has gained little press notice. He suggested to the Japanese that any losses caused by our proposed compensating tariff or fee on cotton contents of imports could be taken care of by a subsidy.

Do not smile, gentlemen, I am deadly serious. The recent reaction of Belgium, in the glass tariff case, is mild compared to the Japanese reaction, if and when we impose our compensator at the customs house on textiles.

This points up the seriousness of granting uneconomic concessions to nations which build up their economy on a false foundation. The Belgian Government is already protesting vigorously and bitterly. They claim that the loss of even a small part of our market affected by the new tariff rates on flat glass alone, will cost the Belgian economy 5,000 jobs. Does not this mean that the 5,000 Belgians have displaced 5,000 American jobs, and considering the effect upon our economy, measures up to a fantastic impact upon employment in our own economy.

This tariff increase alone, according to the Belgian figures, and using the U.S. Chamber of Commerce job evaluation impact comes to the following totals of impacts in various economic areas in the United States: 5,000 jobs for glass industry; 8,700 additional full time jobs in the community; 14,800 people sustained in the community; 5,350 more cars put into use. $29,500,000 will be added to personal income; $14,500,000 will be added to net bank deposits; and $18 million will be added to retail sales, enough to open 200 new retail outlets.

This is the impact on our economy when the seed money of production wages is planted in the fertile fields of our own economy. You can understand now why the common market countries are prosperous.

We are considered the world's greatest exporting Nation. Are we? No, not by a long shot. If we measure dollar volumes, yes. If we measure imports as against gross national products, the answer is "No."

I shall, I pray, be able to go into this phase in more detail in the official report to Congress. To give you a little shock, let me just give you two sets of figures.

The United States has a gross national product of 546 billions, and exports 20 billion out of which about 14 billion represents dollar sales. West Germany has a gross national product of 60 billion with exports of 11 billion.

If we carry out the provisions of this bill, as now written, our diplomatic problems will mount even faster than our

economic depreciation. Only two restraints can save the American consumer goods industries under the full and free trade impact of this bill, if administered by a Chief Executive who may not use the judgment and restraint shown by the President in the glass and carpet wool cases.

These restraints will only be temporary, and in time, disaster will strike our free enterprise system. The first and most important safeguard we have is the natural inclination and determination of large numbers of Americans, to buy American, to buy union made goods, and others who realize that they destroy job opportunities, profits, and investment incentives when they buy foreign made goods that displace American goods on our market shelves. Some of the proponents are doing their best to discourage this group by propaganda, false and misleading statistics, and above all—the threat of physical destruction of nuclear warfare.

The second restraint will be overcome sooner than our theorists imagine. This is the lack of production facilities to provide the enormous amount of goods and equipment our economy consumes. Any person hiding behind the thought that our productivity and know-how will protect us is living in a fool's economic paradise.

On March 9, H. S. Geneen, president, International Telephone & Telegraph, had this to say:

> Labor will have to face the fact that European workers are as skilled as our own. The United States has no monopoly on production know-how and the plain fact is that European labor rates are lower than U.S. rates.
>
> This combination of low labor costs and high productivity ability means that U.S. labor and management will have to work as a team to raise productivity to maintain our ability to compete effectively, as the only valid basis for granting either labor or capital a greater share of the common output.

Geneen recommended increased exports through U.S.-owned foreign companies.

It means simply and plainly that the passage of H.R. 9900 as written will increase the foreign participants who will sit in on labor-management negotiations, and will establish a new criteria for profits based upon foreign values forcing more and more American dollar runaways who, following Mr. Geneen's advice, will become foreign export agencies, as well as manufacturers.

Before you pass on this legislation, allow me to be so bold as to recommend reading "Tariffs: A Case for Protection," by Dr. Lewis Lloyd, "Tariffs or Protection," and "Progress and Prosperity," by Henry George. The IUD news release for Sunday, March 11, the President's textile tariff relief program, the Secretary of Commerce's releases of State and Commerce export figures against actual manufacturers' reports from the various States—Monday, January 29, 1962, release. Senator Malone's "Mainline," and the eight reports from the committee studying the impact of imports on American employment.

After studying the Commerce figures, I have satisfied myself that the figures as they pertain to Pennsylvania are shaded to benefit the passage of H.R. 9900. Let me give you the figures from the very same Department of Commerce.

Secretary of Commerce announces Pennsylvania exports of manufactured products to be $1,189,500,000. A survey of all manufacturers with 100 or more employees doing $25,000 or more business shows total exports to be $921,500,000. The markup of $268 million is what the Commerce Department has added for what they call the estimated f.o.b. port side.

By this same method of unrealistic, uneconomic, unsound statistical reporting, Congress, and the people, are being led to believe that 6 million workers owe their jobs to export activities in the United States. Let us examine this for a minute.

The total amount of exports valued at the manufacturers' cost, which determines the jobs and wages is $9,792,400,000. The added value markup by the Department of Commerce is $7,105,600,000, making a total of $16,898 million.

This is the figure used by our Government officials, the importer groups, the National Manufacturers' Association, Chamber of Commerce, and the proponents, in calculating the jobs created by exports.

It is not a true figure, nor can any stretch of the statistics prove that the jobs created are anywhere near the number stated by any of the following testimony, and public statements on job totals: Labor Department, 3,100,000; Secretary of Labor, 4 million; Secretary Hodges, 6 million; Importers' Council, 12 million.

Charles Percy of Bell and Howell tops all the job estimates by claiming up to 15 million jobs for export workers.

All of the above say that imports only displace between 200,000 and 500,000 jobs. We must first realize, that in all the United States, there are only 16,800,000 jobs in manufacturing with a payroll of $90 billion a year.

Incidentally, this $90 billion payroll is the seed money for a 92 billion budget. Actually, the jobs ought to be related to the manufactured products wage contents. Recently, the Japanese Trade Council put out a very interesting piece of propaganda purporting to show the number of jobs created in every State by exports to Japan.

I challenged the figures for my State, and a few other States. In answer to my speech for the RECORD, I received the following explanation from this foreign interest group.

> DEAR MR. DENT: I read with interest your comments on tariff and trade appearing at page A557 of the CONGRESSIONAL RECORD for January 25. In those remarks you were critical of the report of the United States-Japan Trade Council showing the jobs created in the United States by exports to Japan. In your view, the figures on exports and jobs created in the States of Pennsylvania and Mississippi are inconsistent. I am writing you to clarify the record on this.
>
> Upon superficial examination, your exceptions to our report would appear to be well taken, but they are nevertheless unsound. What you have overlooked is the productivity of Pennsylvania workers (of which you may well be proud) as compared to the productivity of workers in Mississippi, who are mainly engaged in the production of cotton, insofar as exports to Japan are concerned. These productivity statistics were obtained from the 1958 Census of Manufactures with respect to industrial products and from the Department of Agriculture with respect to agricultural products. They show that the average annual value of industrial shipments from Pennsylvania per employee was over $25,000; the average value of shipments per worker in Mississippi, on the other hand, was about $5,500. We are now speaking of employees engaged in direct production, which figure was doubled in our report to account for indirect employment created in service and supplying industries, as explained in the Sources and Methodology of the study. Our figures for direct production employees in 1960 were 2,426 for Pennsylvania and 5,809 for Mississippi.
>
> For Pennsylvania, the average value of annual shipments per direct production employee was high because of the predominance of the following export industries: petroleum products, with an average annual value of shipments of over $70,000 per worker; iron and steel scrap, with an average annual value of shipments of over $42,000 per worker; chemical specialties, with an average value of about $34,000 per worker; steel mill products, with an average value of about $28,500 per worker; power generating machinery, with an average value of over $21,000 per worker; and other industries with a high value of annual shipments per productive worker.
>
> For Mississippi, the production of cotton for export to Japan predominates (Japan is far and away the best customer for U.S. cotton). According to the Department of Agriculture, the average worker in the cotton fields produces an annual value of cotton shipments of $4,300, a far cry from the value of production of the industrial workers of Pennsylvania. Including all workers in Mississippi engaged in producing commodities for export to Japan, Mississippi only averages an annual $5,500 in value of shipments per worker. Obviously, despite the fact that total 1960 Pennsylvania shipments to Japan in dollar value were more than double the shipments of Mississippi, more Mississippian workers are employed because of the very low average productivity of cotton farmers and cotton field workers. This, of course, is one of the main reasons for our agricultural cotton price support programs.
>
> The foregoing explanation accounts for the much higher employment in exports to Japan of agricultural States in the South (such as Mississippi, Arkansas, and Alabama) as compared with the industrial Northern States of Illinois, Ohio, New York and Pennsylvania. I can assure you that our report was the result of long, careful and objective study and that the figures contained therein have not been manipulated to prove any preconceived thesis. We would be very happy to confer with you regarding our methods in pursuing this study and are confident that we will be able to persuade you of their reasonable accuracy.
>
> We would appreciate your inserting this letter in the CONGRESSIONAL RECORD in order to correct any misapprehensions that might have resulted from your comments of January 25.
>
> Respectfully,
>
> NELSON A. STITT,
> *Director.*

I would like to call your attention to the unusual arithmetic of the American agent for the Japanese Trade Council, Mr. Nelson A. Stitt.

In classifying Mississippi, Arkansas, and Alabama—as like States and using his own figures—we find the very unu-

sual situation in these States where two jobs are created by a gross production of $4,300 for a full year's work.

Mr. Stitt states that Pennsylvania's $60 million yearly gross business with Japan creates 4,852 jobs for Pennsylvania, while $32 million gross yearly business with Arkansas creates 11,618 jobs. He arrived at these figures in about the same way that Attorney Barnhart, representing the Importer's Council arrived at his figures.

It seems that Stitt took the mean averages, arrived at by dividing the gross product with the number of workers actually working and just doubled the numbers. In Pennsylvania he claims the creation of 2,426 direct jobs, doubled to 4,852. In Mississippi he claims creation of 5,809 direct jobs, doubled to 11,618. Barnhart takes the figures of 6 million that Secretary Hodges arrived at by doubling the Labor Department's 3 million figure, doubled it and comes up with 12 million jobs. Double, double, that is the trouble with these statistics.

They all seem to forget that only one part of any set of figures, whether they be sales, cost or production figures, matters in developing the job impact of trade. In studying job impact, the only figure to be considered is the money received by the worker as wages.

If $4,300 in Mississippi creates two jobs with wages set at a Federal minimum requirement of over $1 an hour, the purchase of $4,300 worth of goods from Japan, with wages set at a maximum 35 cents an hour—including all fringes—will create at least six jobs in Japan.

Maybe that is why there is a labor shortage in Japan and as I have shown in this testimony, some of our economists and proponents are suggesting we export our unemployed. One wonders how many of our workers are willing to accept this solution.

Europe has an average wage of 85 cents an hour, including fringes. Japan has an average wage of 35 cents an hour, including fringes. The United States tabs an average wage of $2.96 an hour, including fringe benefits. It follows, then, that for every 85 cents worth of labor content in an imported article from the Common Market an American worker loses $2.96 an hour, and for every 35 cents worth of Japanese labor content, he loses $2.96 an hour.

This fact you can accept and test it any way you want, and you will find that simple equation spells out why our job economy is dying while foreign countries, exporting to the United States, are growing by leaps and bounds.

Do not be kidded into believing that foreign productivity is lower than ours because that argument is as outdated as most of the free trade arguments are. To show how silly this argument is let us examine an article from the New York Times, Sunday, March 11, which attempts to laugh off foreign wage differentials with this illustration. "The single most important factor is productivity, output per man-hour—a study showed that the average Japanese worker earning 22 cents an hour only produced 30 cents worth of product while an American worker counterpart earning $1.95 an hour produced $3.19 an hour worth of product."

If this were true, then, an item costing $3.19 in Japan would cost $2.33 in labor as against U.S. costs of $1.95. One wonders why the Japanese can sell lighters for 30 cents as against $1.25 for United States. Also, why we can only sell raw materials, fuel, machine tools, and production facilities in any quantities to Japan. In return we buy manufactured goods and products we produce in surplus in our own country.

If we could produce cheaper than our competitors instead of Japan selling the United States 85-percent consumer goods and buying only 15-percent consumer goods, these figures would be reversed.

In a recent nationwide article, we find that in talking about foreign production, the article says, "American-owned foreign plants produce four-fifths as much as their American plants."

Allowing this 20-percent drop in productivity, how can we explain the difference between wages paid here and abroad and why the American plant has been moved overseas if they can produce cheaper here than they can in foreign countries?

Like most other statistics and arguments, I have read in this debate, I am convinced that if the American people believe all they are being told by the proponents of this legislation, they will be the biggest suckers since the Indians sold Manhattan for $24.

Let me quote from an eyewitness account of wages and productivity in the same Japan we have been talking about:

> For over 4 years a Harvard liberal in the labor movement has given me the well-known bird every time I talked about foreign imports injuring U.S. industry and destroying U.S. job opportunities. Recently he came into my office after returning from Japan. He returned the same time as our State Department grand tour ended with two notable achievements—Udall climbed Mount Fujiyama, and the State Department promised Japan more of our market.
>
> However, my visitor stepped down in the valley of realities and came back with a new view of free trade between unequal economies. This is his story: "I've disagreed with you over the years. I was wrong. I'll support your position in this fight all the way. What I saw in the manufacturing plants in Japan convinced me that we cannot compete in a free world market, no matter how much we automate."
>
> In one instance I watched a production line in an electronics plant. They had the new machines we have in our own domestic plants where we have a contract. The only difference was that our machines were 9 years old while theirs were only 2 years old. The rate of production per unit was timed at the same productivity per machine as our machines.
>
> The difference, however, was that in the United States, one worker operated one machine at a pay scale of around $2.60 an hour, while in Japan, one female worker operated two machines at 15 cents an hour. An inspector earned about 20 cents an hour as against over $3 an hour in the United States.

Unless we are content to fix our present rate of wages, income, and way of life as the peak of our progress, we must fight any further depreciation of our job opportunities. Much will be said about the number of jobs created by exports as against job losses from imports. Anybody can use any set of figures that best suits the side of the question being sponsored.

However, anybody who kids himself into the fake economic equation of profits from exports offsetting losses of jobs from imports will find out he has been badly misinformed.

We sell $14 billion and we add $6 billion as exports, while we buy and pay for $15 billion worth of imports. The fact that we export more than we import does not mean we sell more than we buy. According to Blough of United States Steel, we shipped—not necessarily sold—2 million tons of steel, but we imported—purchased—3 million tons of steel in 1961.

The impact of imports must be studied from both the payroll, the profit, and above all, the selling price before we move into any program of further depreciating our domestic market. Since 1950, the U.S. position in world steel production dropped by over 50 percent. We used to produce 46 percent of world steel; we now produce 26 percent. In the same 10 years our exports dropped from 15 percent of world totals to 7 percent while our imports jumped from 1½ to 5 percent. Remember that the volume by tonnage had a much greater effect upon payrolls, profits, and unemployment than the dollar value of trade.

It is important to note that the production percentage increases in our most bothersome competitive countries is higher than in the United States. We cannot discuss trade from the dollar volume point of view because ever since our industrial revolution started, there has been no real comparison between our wage and foreign wage levels. In fact, the rise in foreign wages is basically the cause of their recent economic well-being. Our high wages here are the only reason for the fight by foreign countries to dump their manufactures into our market.

Markets are created by high income, not low selling prices. Lower prices create more production only when higher income creates more consumption.

The bugaboo being dreamed up by the academicians who are driving Great Britain into the Common Market and are pushing the United States to the same ending is a figment of the imagination. Calling the Common Market a threat to our economic well being, is the worst kind of propaganda.

If the Common Market is to succeed it must protect its own production against cheap foreign imports whether they come from the United States, Japan, or South America. If their nations do not protect themselves, the market will dissolve in less time than it took the State Department to put it together. We seem to forget that the Common Market is made up of sovereign nations, and not states with a common set of laws and a Federal or Central Government.

For instance, when we protect cotton imports, subsidize cotton exports to help the economy of the cotton States, while at the same time, we reduce tariffs and drive States producing bicycles, glass, and consumer goods into depressed eco-

nomic conditions, there is nothing much the injured State can do about it. However, if France's auto, glass, and textile industries are sacrificed so that Germany can export its machinery to Japan, how long do you think France will stay in the Common Market?

One of our problems stems from a national inferiority complex. This complex has been created deliberately and objectively by an organized group whose lofty ideals sometime hide the practical and deliberate plans of greed and profiteering.

The simplest proposition is clothed in the most complicated phraseology. Thus, the clearest facts are beclouded. Most of us mistake such talk for superintelligence and, therefore, beyond our commonsense and ordinary comprehension. We get to the point where we sit open-mouthed, listening to a formula of planned deceit which we believe to be exclusive knowledge beyond the grasp of just simple folks.

If you take time to analyze the attitude of some of the so-called free-traders, you will note the similarity in their attitude toward those of us who are sincerely and militantly fighting for our economic well-being, and that expressed by Dr. Seymour Harris Howard, economics professor, when he said:

> The problems are intricate and cannot be fully understood even by the intelligent minority.

What can be expected from those amongst us not considered intelligent. Even if in the majority.

This much I do know and so should every other American. Production will go to the low cost, low wage areas, and sales will go to the high profit open market areas. An open market coupled to a nonprotective tariff policy is an open invitation to economic as well as military disaster. This Nation in two World Wars and the Korean conflict demonstrated that our protective policy had created and preserved the industrial ability and trained workers necessary to win all three conflicts.

I suggest, before committing our Nation to this new unrealistic trade policy, we need to consider the cost and the risks involved. The tariff cuts under the Reciprocal Trade Acts had not had a serious effect up until 1958 except in certain hard-hit industries. The overall impact of imports is just beginning to be felt in our marketplace. If Congress pushes through any further tariff cuts without allowing the past 4 years of experience to be measured, it will commit this Nation to a policy that may very well destroy for many years to come any betterment in our way of life.

If we tie up to the Common Market we would be honor bound to give each State veto power over rates of tariffs, the same as each country in the Common Market exercises a veto over external tariff rates as well as external policies. Otherwise, we will find ourselves with one vote for 50 States against one vote for each country on every tariff to be set. Although we find ourselves putting more power into the administrative branch, which, in turn, will stop even the small voice the States have through their elected Representatives in Congress, we do not seem to worry about the ganging up that will take place in any grouping of trading nations; for example, GATT, under whose free trade policy we have cut tariffs on over 50,000 American-made items up until 1958. We have cut from 46.7 percent to less than a 12-percent average tariff.

Our experience with GATT ought to be reviewed by Congress. Congress will find that we gave away trade advantages on almost every deal we made under GATT. Without being funny, you can safely say that we made trade deals with the GATT pointed right at our economic belly.

It would be suicide to become dependent upon the Common Market production for either our revenue, or our defense. It can only be considered a threat if the Common Market refuses to sell us materials, products or services we cannot do without, and refuses to buy from us the same essentials for their own well-being. This is, of course, contrary to all trade history except in the case of war or political and economic sanctions. If this happens, all the compacts, treaties or gentlemen's agreements, will not amount to a fiddler's d— and we had better have exactly what we are fighting for, domestic production, domestic labor, domestic capital, and—above all, domestic know-how. This is not isolationism, it is survivalism.

Trade is the exchange of something of value for something else of value, trading what you do not need for the thing you do need. Nations must have employment, and production creates employment. The use of trade for the sake of trade profits never creates a mutually successful economy for trading nations.

Even if we discount the job loss, how much has been lost by our economy because we have promoted both private and public investments in oversea competitive production without safeguarding our domestic production against the imports from these same facilities.

Here is a 6-year score on foreign investments by private American investors:

Investment in Western Europe, $5,141 million; profits returned to U.S. companies, $2,261 million.

Investments in underdeveloped areas, $5,552 million; profits returned to U.S. companies, $8,794 million.

Investments in Latin America, $3,057 million; profits returned to U.S. companies, $4,379 million.

This does not count money left overseas for reinvestment, expansion, automation, and cash reserves. The less retrictions we put on imports, the more profits for our American investors overseas and their stockholders but the less wages for American workers.

Now you can see why I led the fight against H.R. 5 which would have given even more concessions and profit opportunities to our American investors overseas. I note that many of the advocates of H.R. 5 are now advocates of the present tariff-cutting legislation; the only difference being that now they are against foreign investments.

In time they will be against the free trade concept of tariff cuts if it is not too late. Remember that in the main, this is the same group who conceived, delivered, and wet-nursed the Common Market baby which they now see as a full-grown menace to the U.S. economy.

I am sorry I can not see the Common Market as a menace. I see it as a blessing for the workers of the market area. It will raise standards and living conditions, but until its economic level of wages and individual purchasing power reaches our own, it is economic suicide to talk of a marriage between our two economies.

At best, it would be a shotgun wedding with nothing but bickering, fighting, misunderstanding, distrust, and eventually ending in divorce, leaving behind a lot of children in the form of bankruptcies, unemployment, and a handful of rich scavengers who represent either, or both sides in the proceedings.

I see nothing but economic depreciation, with greater unemployment, more distressed areas, and heavier personal tax loads if this bill passes without changes.

It appears to be the policy of the proponents of this legislation to base their claims for the necessity for the passage of this bill upon the so-called agriculture trade balance. There are claims made by various groups and it is noteworthy at this time to call to your attention the claims of the National Council of American Importers in public document entitled "How Imports Create U.S. Jobs." This pamphlet purports to show the following U.S. agriculture exports, fiscal 1961.

U.S. agricultural exports, fiscal 1961

	As percent of—	
	U.S. production	World trade
Wheat	49	44
Cotton	49	41
Soybeans	26	75
Soybean and cottonseed oil	20	75
Rice	56	15
Feed grains	16	48
Tobacco	29	33
Lard	20	69
Tallow and greases	40	74
Hides and skins	30	(1)
Fruits and preparation	18	(1)
Vegetables and preparations	7	(1)

[1] Not available.

Source: U.S. Department o. Agriculture.

It is interesting to note at this time that the major exports as listed are wheat and cotton, both of which are approximately 50 percent of the total American production exported. Let us examine this for just a minute. Since we export 50 percent of our wheat, then it follows that we are paying 60 cents a bushel subsidy to American exporters to make up the difference between the U.S. domestic price support of $2 and the $1.40 world market price. According to the Secretary of Agriculture—quoted in the Wall Street Journal, Tuesday, March 13—this amounts to $400 million a year out of taxpayers' pockets.

Let us move to cotton and we find that in cotton the same condition obtains. Cotton is exported at a price of $139.50 per 500-pound bale. However, it is price supported to $172 for the same amount

of cotton. This means the American textile mills pay $42.50 per bale, while the American taxpayers pay out $42.50 as a subsidy to our foreign competitors who buy American cotton. Since the American consumption of cotton, according to American textile and apparel industries, is 8,268,000 bales and, using the 49-percent figure, we export over 8 million bales of cotton. Here again we find approximately $340 million of subsidies paid by taxpayers in order to export cotton. The cost to the United States under various agriculture programs is estimated to reach $1,700 million this year.

I make this point to show that we cannot sustain the American economy on the exportation of agricultural products. Testimony before the subcommittee on the impact of imports and exports on American employment tends to show that we have become in fact an exporter of foods and raw materials and an importer of manufactured goods.

The combined employment of textile and apparel industries is 2,500,000 men and women—one-eighth of the total of over 16 million engaged in all manufacturing enterprises in the United States. The extent of the damage already done to the textile industry is shown by the following figures. This excludes 1,213,000 employees in the apparel and related industries.

	1947	1957	1961	Decrease
				Percent
Number of employees	1,335,000	1,000,000	892,200	34
Cotton system spindles	28,800,000	21,200,000	19,690,000	32
Profits on sales (percent)	8.2	1.9	1.9	77
Profits on net worth (percent)	18.0	4.2	4.0	78

I also would like to call your attention to the fact that the U.S. consumption of cotton dropped from over 26 percent of the world to 18 percent only a small part in the decrease in the United States can be explained by the production of manmade fiber products. Also the cotton content in the last 7 years after the passage of Public Law 480 shows an increase in 42 percent in imports and against a decrease of 20 percent of exports.

Since 1954, under Public Law 480 we have shipped 6 million-plus bales of cotton valued at $490 million which is supposed to be in excess of their traditional consumption of cotton. These 6 million bales of cotton valued at $490 million were paid for in local currency which could be spent on the local economy. Whereas the goods manufactured from this cotton are available to be sold to us for American dollars which under the Bretton-Woods and other agreements are readily exchangeable for gold at a fixed gold price. It is a well recognized fact that many textiles are sold at very close prices, a difference of one-eighth cent a yard or approximately 1 percent of value is often a controlling factor as to whether a mill can continue to operate.

Before getting away from a general picture of agriculture, allow me to quote from testimony before our subcommittee from the Western Growers Association:

It would also be helpful if agriculture handbook No. 132 of the U.S. Department of Agriculture, a 141-page booklet which reviews agricultural trade policy throughout the world, should be read as proof that reciprocal trade does not exist and that various protective devices are used.

The president of the Western Growers Association, representing the vegetable and melon industries of California and Arizona, had this to say (incidentally, these agriculture products are nonsubsidized and apparently because of this fact and that the U.S. Government has no financial stake directly in these products, they have become the whipping boys for agricultural imports).

STATISTICAL HOCUS-POCUS ON AGRICULTURAL EXPORTS

The contention that agricultural exports during the past fiscal year 1960–61 reached record proportions at $4.9 billion and that 78 percent of this was sent to countries with which we made trade agreements; while imports of competitive agricultural products amounted to $1.8 billion, needs some reexamination. The $4.9 billion export figure is official and need not be questioned. However, in a publication of the U.S. Department of Agriculture, "The Demand and Price Situation" for August 1961, page 9, stated that about 60 percent of these exports received some form of Government assistance. This consisted of outright subsidies such as those that apply to our exports of wheat and cotton of which we exported over $2 billion in 1960; outright grants (gifts), etc., only 40 percent of the total was sold for dollars with no governmental assistance. This part of our agricultural exports was slightly below the previous year.

To attribute our agricultural exports and specifically their expansion to the benefits of the trade agreements program is, of course, wholly unjustified in view of the pertinent factors as above stated. Actually, the need for subsidization in order to export is proof that the trade agreements have not opened foreign markets to our farm productions; we do not have reciprocal trade on agriculture; quite the contrary. Only our subsidies have succeeded in doing that.

Our imports of agricultural commodities are classified by the U.S. Department of Agriculture as supplementary or complimentary. The complimentary imports are those that do not compete with domestic farm products—examples: coffee, tea, crude rubber, cocoa, etc. These are all free of duty. Nevertheless, importation of these products give the foreign countries dollars with which to buy our products. Once again, the trade agreements program has nothing to do with these products because we have no tariff on these imports.

RECIPROCAL TRADE IN AGRICULTURE AND SUBSIDIES

The above stated that in fiscal year 1961, there was duty-free imports of $1.8 billion which should give rise to exports of a like volume by supplying other industries with the necessary dollars. This should therefore be deducted from the $4.9 billion of exports for fiscal year 1961 if we seek to determine the influence of our trade agreements program. The export figure then would come to $3.1 billion.

It further stands to reason that this surplus of exports would not have occurred without the subsidization to which we have resorted. The cost of the wheat and cotton subsidies between them come to more than $550,000,000 in 1960. Before we subsidized the exports of raw cotton our foreign market was fading rapidly. Our average exports of cotton from 1950–52 was 5 million bales per year. In 1956 these exports dropped to 2,214,000 bales. Then we began to subsidize the rate of 6 cents per pound in 1957. Exports jumped to 7,598,000 bales. This was followed by another drop in 1958–59 to 3,129,000 bales. On August 1, 1959, we increased the subsidy from 6 cents per pound to 8½ cents. Exports again responded. In 1960, our exports leaped back to the 7 million bale level.

What did our trade agreements have to do with this? Nothing. Our record agricultural exports are the result purely and simply of our subsidization and governmental assistance. As recently as fiscal year 1958–59, our agricultural imports exceeded exports by $300 million. Imports were $4 billion; exports $3.7 billion. It is safe to say that the increase in exports has been the direct result of heavier subsidies and other governmental assistance. Witness the U.S. Department of Agriculture report already quoted, namely, "the proportion of unassisted dollar sales was slightly below the previous year"—referring to fiscal year 1961 over fiscal year 1960.

ESCAPE-CLAUSE RELIEF

The statement that any concession granted in negotiations is subject to the further safeguarding procedures of the escape-clause under section 7 of the Trade Agreements Act when it can be shown that economic injury from imports to domestic producers has resulted from the negotiated tariff reduction ignores the record under the escape-clause of the Trade Agreements Act regardless of which political administration has been in power. Since its inception in 1947, the record shows that the odds are almost 10 to 1 against getting relief under this procedure. The Tariff Commission itself has failed to find serious injury in 70 cases out of 110. The White House turned down 27 of the remaining cases coming to it from the Tariff Commission with a recommendation for a higher duty. This left 13 cases on which some affirmative action was taken.

In 1961, the cantaloupes and watermelon growers, assisted by the California Department of Agriculture, presented two very strong cases before the U.S. Tariff Commission for relief from these excessive imports. Although, beyond any reasonable doubt, serious injury was proved, the Commission, consistent with policy, granted no relief and denied the petitions as stated above.

EXPORT VALUES AND FOREIGN VALUES

In October 1961, a report by the nationwide committee on export and import policy covering the subject of "import competition employment" covered this subject very well by stating, "in weighing these trade statistics we should keep before us the fact that the import values are foreign values, i.e., the sales choice to our importers exclusive of duty, ocean freight, marine insurance, etc. This fact tends to shrink the impact of imports in terms of man-hours required to produce them. For example, in 1960, our imports of shirts were valued at $14 million. What did this mean? What are $14 million worth of shirts? How many shirts? In this country, it would mean 7 to 9 million shirts at

factory prices. How many employees would be needed to make that many shirts? But wait—the imports were not 7 million or 9 million shirts, but 24 million. At our value, they would have represented $36 to $48 million. Innumerable other examples could be given. In terms of man-hours required to produce the 1960 imports of $14.6 billion exports of perhaps triple that value would be required to balance the account.

All farmers recognize that they must compete with other producing areas of the United States for today's consumer markets. That constant factor is good healthy competition and is a parcel with our balance of our supply and demand. This type of domestic competition assures our consuming public of getting the very best that is available for the least amount of money and over a period of time, results in a fair return for both labor and industry. In this respect, I would like to state that the American agricultural industry is paying the highest agricultural wages in the world and cannot fairly compete with foreign producing areas having the advantage of low tariffs and wages often 10 to 20 times less than our farmers are paying. This type of competition poses a real serious problem and one which has been "created"—whereby these foreign imports result in over supply and destroy the market place. This is not only a serious economic problem for agriculture, but is one with which labor certainly has a self-interest in as well. We cannot argue that our labor costs are too high. In preference to this, let's say that it is the extremely low wages in the foreign produoing areas which have advanced this problem."

In August 1961, the USDA in bulletin No. DPS-80 issued the following release:

"AGRICULTURE EXPORTS

"Agricultural exports moved abroad at record volume during the fiscal year ending June 30. At $4.9 billion, exports were about 9 percent above the previous year.

"However, three-fifths of these exports received some form of Government assistance. A little over 30 percent moved under Public Law 480 and the Mutual Security Act. A somewhat smaller proportion represented assisted dollar exports, receiving subsidies in cash or kind, or sold from CCC stocks below domestic market prices (about 1 percent moved under short-term dollar credits.) All wheat and cotton and the major proportion of rice and dairy products were subject to Government assistance. The remaining 40 percent of the agricultural exports sold for dollars with no direct Government assistance.

"Foreign aid, in the form of agricultural commodities or loans, grants and credits of foreign curerncies deriving from their sale, represented about two-fifths of the aggregate value of gross economic aid extended by the United States during the past year.

"Approximately three-fifth of all agricultural exports included in the export total are very heavily subsidized, such as wheat at 60 cents per bushel, cotton at 8½ cents per pound, or were exchanged for foreign currency, or were completely given away to foreign nations under the provisions of Public Law 480. Thus, only about 40 percent of our agricultural exports are sold under a commercial basis, and the 60 percent balance move on some subsidy, grant, loan, or give-away basis.

"It can be argued that regardless of who pays for exports, the jobs created benefit the total economy.

"This is only true in part. When taxes are collected from workers, it cuts down the purchasing power in the market place which in turn cuts down employment.

"In addition to present loss of employment in the textile and apparel industries the entire future of our cotton farmers, ginners, compressors, and warehousemen (not included in manufacturing industry figures) is threatened. If the domestic mills, which pay the Government support price, or higher, for the greater portion of U.S. cotton consumed, are destroyed, then it follows that raw cotton interests must live on the world price plus such additional subsidy that the Government may wish to pay them.

"We are familiar with the depressed conditions in the coal mining areas of West Virginia and Pennsylvania. Those same conditions will probably arise within a few years in the many areas in many States where a large proportion of all manufacturing industry employees are those engaged in producing textile products and apparel. In many places this proportion is 50 percent or more of the total number of employees in the manufacturing industry in the State.

"It will be impossible to retrain or to move a large number of the employees, many of whom have made the textile industry their life's work, are skilled employees in the industry, and have established their homes, their families and their expected future, based on the stability of the textile industry. The liquidation of this industry, employing a large number of people and so necessary in time of peace or war, will bring social unrest, family disruption and heartaches to a great number of people in wide areas of the country where the industry is located.

"The suggestion that these people be retrained and possibly moved to other localities is not realistic when we consider that we have not retrained and taken care of some 4 million employees who are now unemployed and, yet, it is proposed that we begin to add to this number an additional 2 million employees. If this program were put into effect today, our unemployment could rise from 6 percent to 9 percent. I predict that when the chips are down, if the bill passes as it is now written, it will not be used for a few years.

"It seems quite clear that our import policy has largely caused this decrease in American jobs. The textile industry is hurt by our own cotton pricing controls. But it probably can survive if we get an equalization fee to offset the 8½ cents per pound subsidy on cotton exported to foreign countries, plus protection in the form of fair tariff rates and quotas against excessive importation of fabrics and apparel from low-wage countries.

"Foreign countries have no just basis to object to any of these procedures. Practically all of them have restrictions which prevent or limit our shipping many items into their borders. There is little reciprocity in practice."

For many years a small group of Members of Congress have tried to make the point that the Reciprocal Trade Agreements had not accomplished its purpose and, in fact, in the many agreements between other nations, the United States gave up more than it gained. Four years ago, the very same results that are being promised now, were promised if we would extend the Reciprocal Trade Agreements for a longer period of time than the conventional 1 year. We were told that it was impossible to negotiate under a 1-year extension and that a 4-year extension would give the executive branch of the Government the tools with which to negotiate on a more permanent and a more reciprocal base. We were told that this would curtail so-called "run-away industries and run away investments," and that agreements could be made that would create export markets without injury to our own domestic employment. Why then was it necessary to wait until the 4 years were up—all but 3 months—before putting into effect the life saving tariff cuts demanded 4 years ago.

It is my humble opinion that the failure of the 4-year plan has been proven. Particularly in the switch of the character of imports and exports by reversing the field percentage-wise and shifting from manufactured goods in exports and non-manufactured goods in imports to exports of non-manufactured goods and imports of manufactured goods.

In the pamphlet I referred to earlier, a case is attempted to be proven that the United States sells $5 billion more than it buys, showing $20 billion sales and $15 billion of purchases. This is a deliberate misrepresentation of facts and an obvious attempt to establish in the minds of the Congress and the American people a false set of values insofar as American imports and exports are concerned. It has a false set of values insofar as American imports and exports are concerned. It has been acknowledged by all authorities that a minimum of 30 percent of our exports are not sales but are, in fact, gifts and other considerations under foreign aid, as well as another 30 percent in agricultural products for soft credit and other non-returnable credits.

Throughout the year of hearings before our subcommittee, we made every effort to get testimony from persons who, from their public statements, appear to have information relative to the study we had undertaken. It is regrettable that for reasons best known to themselves, the only information that we were able to obtain—from what appears to be authoritative sources—has been some public releases, testimony before other committees and through the media of TV, radio, pamphlets, and illustrated sales booklets given to Members of Congress by Departments of Government, importers, and others interested in the proponent side of this problem.

It might be good to note that, according to the Wall Street Journal, the Secretary of Agriculture, is proposing that the international wheat agricultural group increase the world market price of wheat in order to cut down the supports for exported U.S. wheat. On the weekend of March 10, an agreement was reached that the world price of wheat would be increased 12½ percent a bushel subject to member nations' ratification. This was done, according to this story, in order to cut $80 million a year off our U.S. subsidy costs. I would like to ask at this time how any American legislator can justify this action in the face of the proposal that this Congress has agreed to in the creation of a food-for-peace program? How can we, on one hand, justify to our conscience—if not to our constituents—increasing the world wheat price to our consumers all over the world while at the same time holding out the promise to the underfed people of the earth that this country's food program is for their benefit and relief? We were told that agricultural exports have to be maintained in order to sustain our agricultural economy.

Is there any difference, gentlemen, in protectionism for one phase of our econ-

omy by way of subsidies and for another part of our economy by way of tariffs? Does not this wheat deal show that world free trade will be a series of cartel agreements, fixed prices, international quotas, all contrary to our American concept of trade and free enterprise.

It has often been said that if you scratch a free trader, you will find a protectionist; it has also been said that protectionism has two faces—one of which wears the mask of free trade.

When a nation restricts its imports—by tariff, quota, multiple exchange rates, or whatever—it openly acknowledges its protectionism. But when it subsidizes its exports—a practice no less protectionist in principle—it often proclaims such policy a contribution to freer trade. Yet, of the two faces of protectionism, subsidies to exports and foreign investments often prove more offensive to a nation's trading partners than do moderate restrictions on imports.

There are many pages of testimony containing—in the reports of our subcommittee hearings—testimony to the great damage inflicted on the agriculture of the United States. Particularly, I would recommend the testimony of the Western Growers Association and the hard, cold facts showing the practical demise of the tomato industry in Nyland, Calif.

This third element is the sales price, based upon cost of production in which a low-cost producer invades the market of a high-cost producer who, because of conditions beyond his control, cannot compete. The U.S. Government recognizes this very simple economic fact when it pays subsidies for the successful exportation of certain commodities. Other countries recognize this simple fact by resorting to one of the many forms of protectionism.

No one seriously questions the desirability of promoting world trade if it works to the mutual advantage of the countries participating in it. In the hope of expanding foreign markets for the products of the United States, Congress enacted the Trade Agreements Act of 1934 empowering the President to reduce our tariffs on foreign products in exchange for like concessions of foreign countries with respect to our products. It was the hope that such a program would stimulate and strengthen our domestic economy.

For the past decade, however, the United States has carried on this program with the primary objective of building the economies of other nations of the world and winning or retaining their good will without regard to the damaging effects upon our own industries and our own labor.

Our foreign aid programs of the past two decades have provided foreign countries with American know-how, equipment, supplies and materials at either no cost or at far less than the cost to American producers of like items. We have shipped modern machinery and equipment valued at $25 billion to these countries and have thus created abroad industrial plants as efficient as many of our own. The productivity of foreign labor has notably increased, yet foreign wages and foreign standards of living remain far, far below our own. Our own industries suffer a growing competitive disadvantage not only in foreign markets but in our own home markets. There is no section of the United States and very few communities where the adverse effect of foreign competition is not felt.

It would be extremely difficult to review all of the affected industries before this committee and I would recommend the reading of the hearings to those among us who appreciate the dangers involved in embarking upon the course of free trade embodied in H.R. 9900. At this point, let us make it very clear that, personally, I am an advocate of liberal, free—but equitable—trade relations. Let me assure you of my keen interest in the problems of the world and the relationship between these problems and the welfare of my country and my congressional district. However, I do not subscribe to the bogeyman tactics contained in one of the many pamphlets issued by the State Department which purports to show that unless we pass this legislation, all world trade will stop, the American people will no longer have any of the following items: automobiles, radios, TV, telephones, cocoa, tea, coffee, Brazil and cashew nuts, olives and olive oil, and many other items that Americans are accustomed to having. I feel sure we won't have any shortages of any of these, and especially an insufficient supply of nuts, of all kinds.

Now this problem can be discussed from its economic implications without getting into the realm of fancy, half-truths, misleading—and in many instances—misrepresentative statistics. Never in the history of this country—aside from national war emergencies—has this Nation been denied any of the trade items named in these pamphlets. Nations do not refuse to sell that which they have in surplus.

The very essence of free trade is the unrestricted selling and buying of goods between the peoples, states and nations, based upon need and the availability of supply. It is only because of the industrial revolution taking place, most of it with aid from these United States, that the third element, price, has entered into the trade problem and which must be equalized before any enduring trade policy can be established between competing nations.

There may be some industries and some communities that will not be adversely affected by imports even if our economy is subjected to the further drastic dose of trade concession medicine now being recommended in Washington. But we doubt it. In any event, the important fact on which every American should focus is to recognize that the trade program pursued by our Government during the past 28 years has failed signally to promote the economic well-being and growth of our economy. The fact is that in recent years the rate of economic growth in the United States has been significantly lower than that of other industrialized nations. There are more distressed areas today than any time in our modern history except when the whole world was depressed.

Our strength and the strength of the entire free world require a vigorous, growing domestic economy. Our trade policy must be devoted first and foremost to that end. We cannot let industries wither and die and waste our substance and energies in relocating and retraining workers whose job opportunities have been handed to low-paid foreign labor as a result of ill considered trade concessions.

I believe in giving the unemployed worker every bit of help we can in retraining for new jobs such as the Holland bill spells out.

However, how can any person in good conscience prescribe a remedy for an economy suffering from self-inflicted injuries? Would it not be better to try another prescription instead of doubling the doses of the old medicine?

We need American jobs first and job-taking imports last.

I have very firm convictions and sincerely believe that this approach will promote free trade on an equitable base.

No nation can be exploited during its growth years by low production cost industries in other nations. The economic levels of all nations will grow with their own economic growth and nations giving aid to underdeveloped areas will be free from competition, exploitation and profiteering of their own and foreign nationals.

Free trade can only fulfill its promise of better understanding when price does not make trade inequitable between trading nations.

No trade deal is a good deal if it is unprofitable or unequitable to the parties to the deal.

In winding up this presentation, I would like to give you a few things to think about that have a direct bearing on the issue: U.S. industrial wages, $2.96 per hour, including fringes; Common Market, 85 cents per hour, including fringes; and Japanese, 37 cents per hour, including fringes.

It stands to reason that when imports containing $1 billion worth of Common Market labor, enter the United States, they displace well over $3 billion worth of payrolls and seed money for our economy. One billion dollars' worth of imports from Japan displaces better than $7 billion worth of labor wages.

This is a loss in wages alone. The selling price of the imports does not alter this fact. Again when we discuss taxes, let us remember that with 70 million people, Japan has a total budget of $6 billion, while the United States has a budget of $92½ billion for 184 million people. How can we fail to adjust these basic costs. With proper safeguards we can, and should, pass new trade legislation.

Outside of certain Government officials and a few who are representatives of foreign exporters or American corporations, operating abroad, every major supporter of the new trade bill wants certain restrictive covenants for their own protection. All of us have something to protect.

I want to vote for a new trade bill because I have been critical of the performance of the present trades legisla-

tion. I know we must have a trade pact, but I also know that it must give more than passing notice and slip service to the American economy.

I have watched the press reports of these and other hearings. I have read most of the pamphlets and releases from all sources. I find that the proponents and endorsers of this legislation want exactly what I would like to have; a new trade bill, free from restraints that are artificial insofar as the real need for restraints is concerned.

I note that some labor supports this trade bill, but wants protection against undue injuries to affected American industries. The Farm Bureau supports free trade for all but farm products affected adversely. The chamber of commerce supports free trade, but is opposed to job retraining programs for workers. The national manufacturers want free trade, but wants tax breaks both here and abroad. The Textile Association supports the legislation, but wants textile quotas and compensating tariff for differentials in raw materials cost. The oil industry wants trade, but wants quotas and other restrictive covenants.

If you go through the House and Senate you will find that most of us are free traders, but we want certain protective covenants on glass, cotton, wheat, carpets, shrimp, fish fillets, lumber, sporting goods, fishing tackle, cheese and on into almost every line of production in the United States.

It is this complex demand of our economy and the realities of world trade that makes it imperative that we have new legislation. At this point, let me make it very clear and known to all as to just what I learned after many months of hearings and study of this many faceted problem.

I learned that unless we work out a long range, controlled program of international trade, this and other high cost nations, will suffer very severe shock in their economy. There is no longer any real deterrent to universal production of manufactured consumer goods. All other industry is dependent upon the activity of the consumer.

There can be no production without consumption. If you find that I repeat this statement, it is because I have had it drummed into me time after time for these many months.

Consumption does not restrict itself to consumer goods. It covers all sales for use either as food, housing, clothing, transportation, utilities, conveniences, appliances, in fact, every product changed from its natural or raw state, enters into the economy of consumption.

We, therefore, have before us a responsibility that cannot be set aside by propaganda, editorials, TV, or radio coverage or even the blanket or restricted endorsements from the whole populace outside the Congress.

It may be termed the Ball bill, the Hodges bill, or the President's bill, but in the cold facts of recorded history, it reflects—good or bad—upon the Congress that passes it. It is Congress' bill, and the full responsibility is our own.

Later I would prefer, if the chairman agrees, to meet with him and/or his staff to present four very definite recommendations in line with the promotion of free or freer trade based upon equity and fairness, not alone to the peoples of America, but even more so, to the peoples of the underdeveloped nations.

I can say to you at this point that unless we get away from piecemeal concessions and write a bill universally fair, we should pass this bill without any amendments whatsoever, except to make it cover all American industry, farming, and mining.

Only in this way can we get an honest appraisal of its real values. If it is as good as the proponents say it is, it will be the greatest move we can make. If it is as bad as the opponents say it is, it will prove itself and changes will come very rapidly.

Mr. MILLS. Mr. Speaker, I yield the remaining time to the gentleman from Louisiana [Mr. BOGGS].

Mr. BOGGS. Mr. Speaker, I would like to make some observations.

First. This legislation is the result of very careful and serious consideration on the part of both the House Committee on Ways and Means and the Finance Committee in the other body.

Second. The conference report was signed by all the members of the conference on both sides of the aisle, and in both bodies.

Third. This legislation has had wide support in the country. All segments of our economy, including those whose main consideration is the employment of our people, support this bill. I do not believe for one moment that if this legislation had any serious impact on employment in the United States it would be supported by the AFL–CIO. Nor do I believe that the representatives of the great business organizations would support this legislation if they felt there would be a serious impact upon business in the United States as the result of this legislation. Nor do I feel that the representatives of the great farm organizations would support the legislation if they had a similar reaction to it.

So the obvious answer to the gentleman from Pennsylvania, with all due respect, is that as he so well pointed out himself, the great body of opinion in the United States of America today on both sides of the political aisle favors enactment of this legislation.

I headed a subcommittee of the Joint Economic Committee. We made far-reaching studies into the depths of the problems involved, and we came up with unanimous agreement on legislation similar to the legislation now before this body.

Mr. CURTIS of Missouri. Mr. Speaker, will the gentleman yield?

Mr. BOGGS. I yield to the gentleman from Missouri.

Mr. CURTIS of Missouri. I would have to contradict the gentleman. The minority of the Joint Economic Subcommittee did not agree.

Mr. BOGGS. I use the word "similar."

Mr. CURTIS of Missouri. We had our difficulties and I hate to interject a note of discord here, but I do want to keep the record straight.

Mr. BOGGS. The gentleman and his colleague, and our colleague from Connecticut on the other side of the Capitol, had some ideas that were not quite in keeping with the ones of the majority members of the subcommittee. But finally, I think there was substantial agreement.

Mr. CURTIS of Missouri. I may say to the gentleman I was in agreement with the Reciprocal Trade Act in the first place.

Mr. BOGGS. Mr. Speaker, I think the committees in both houses of the Congress have done a monumental job. I think we will look back to this day and this year as a great era in the history of the United States; and, as the gentleman from New York [Mr. KEOGH] has said so many times, an era representing sound economic maturity on the part of our great country.

Mr. Speaker, I hope this conference report will be adopted by an overwhelming vote.

Mr. MILLS. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The question was taken and the Speaker announced that the ayes appeared to have it.

Mr. MILLS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 256, nays 91, not voting 88, as follows:

[Roll No. 271]

YEAS—256

Abbitt	Cohelan	Forrester
Addabbo	Conte	Fountain
Albert	Cook	Frelinghuysen
Alford	Cooley	Friedel
Arends	Corbett	Fulton
Ashley	Corman	Gallagher
Auchincloss	Cramer	Garmatz
Avery	Curtis, Mass.	Gary
Ayres	Curtis, Mo.	Gathings
Bailey	Daddario	Giaimo
Baker	Daniels	Gilbert
Baldwin	Davis, John W.	Gonzalez
Barrett	Davis, Tenn.	Goodell
Barry	Dawson	Granahan
Bass, N.H.	Delaney	Grant
Bass, Tenn.	Derounian	Green, Oreg.
Bates	Derwinski	Green, Pa.
Beckworth	Diggs	Griffin
Bennett, Fla.	Dingell	Gubser
Boggs	Dole	Hagan, Ga.
Boland	Donohue	Hagen, Calif.
Bolton	Dorn	Halleck
Bonner	Downing	Halpern
Bow	Doyle	Harding
Brademas	Dulski	Hardy
Brewster	Durno	Harris
Brooks, Tex.	Dwyer	Harvey, Mich.
Broomfield	Edmondson	Healey
Broyhill	Elliott	Hechler
Buckley	Ellsworth	Hemphill
Burke, Mass.	Everett	Henderson
Byrne, Pa.	Fallon	Holifield
Byrnes, Wis.	Farbstein	Horan
Cahill	Fascell	Hosmer
Cannon	Feighan	Huddleston
Carey	Findley	Hull
Celler	Finnegan	Inouye
Chamberlain	Fino	Jennings
Chelf	Flynt	Joelson
Clark	Ford	Johnson, Calif.

Johnson, Md.	Mosher	Roush
Johnson, Wis.	Moss	Rutherford
Jones, Ala.	Moulder	Ryan, Mich.
Judd	Multer	Ryan, N.Y.
Karsten	Murphy	St. Germain
Kastenmeier	Murray	Santangelo
Keith	Natcher	Schenck
Kelly	Nedzi	Schneebeli
Keogh	Nelsen	Schweiker
King, Calif.	Nix	Schwengel
King, Utah	Norblad	Scott
Kirwan	Norrell	Selden
Kitchin	Nygaard	Shriver
Kluczynski	O'Brien, N.Y.	Sibal
Kornegay	O'Hara, Ill.	Sisk
Kowalski	O'Hara, Mich.	Slack
Kunkel	O'Neill	Smith, Iowa
Kyl	Osmers	Smith, Miss.
Landrum	Ostertag	Spence
Lane	Patman	Springer
Langen	Pelly	Stafford
Lankford	Perkins	Stephens
Lennon	Pfost	Stratton
Lesinski	Pike	Stubblefield
Libonati	Pilcher	Sullivan
Lindsay	Poage	Taylor
Loser	Poff	Teague, Calif.
McFall	Powell	Teague, Tex.
Mack	Price	Thomas
Madden	Pucinski	Thompson, N.J.
Mahon	Purcell	Thompson, Tex.
Mailliard	Randall	Toll
Marshall	Reece	Trimble
Mathias	Reuss	Tupper
Matthews	Rhodes, Pa.	Udall, Morris K.
Meader	Riehlman	Vanik
Merrow	Rivers, Alaska	Wallhauser
Miller, N.Y.	Roberts, Ala.	Walter
Milliken	Roberts, Tex.	Weaver
Mills	Robison	Wickersham
Minshall	Rodino	Widnall
Montoya	Rogers, Colo.	Willis
Moorhead, Pa.	Rogers, Fla.	Wright
Morris	Rooney	Zablocki
Morrison	Rosenthal	
Morse	Rostenkowski	

NAYS—91

Abernethy	Flood	Passman
Alger	Fogarty	Philbin
Andersen, Minn.	Gavin	Pillion
	Goodling	Pirnie
Andrews	Gross	Ray
Ashbrook	Haley	Rhodes, Ariz.
Ashmore	Harrison, Wyo.	Riley
Baring	Harsha	Rivers, S.C.
Barry	Hoffman, Ill.	Rousselot
Battin	Ichord, Mo.	St. George
Becker	Jarman	Saylor
Beermann	Jensen	Schadeberg
Betts	Johansen	Sikes
Bray	Jonas	Smith, Calif.
Bruce	Kearns	Smith, Va.
Burleson	Kilgore	Steed
Casey	King, N.Y.	Taber
Cederberg	Knox	Thomson, Wis.
Chenoweth	Latta	Tollefson
Church	Lipscomb	Tuck
Clancy	McCulloch	Utt
Collier	McMillan	Waggonner
Colmer	Martin, Mass.	Westland
Cunningham	Martin, Nebr.	Wharton
Dague	Mason	Whitener
Davis, James C.	May	Whitten
	Monagan	Wilson, Calif.
Dent	Moore	Wilson, Ind.
Devine	Moorehead, Ohio	Winstead
Dowdy		Young
Fenton	Morgan	Younger
Fisher	Olsen	

NOT VOTING—88

Adair	Evins	McDowell
Alexander	Frazier	McIntire
Anderson, Ill.	Garland	McSween
Anfuso	Glenn	McVey
Aspinall	Gray	Macdonald
Belcher	Griffiths	MacGregor
Bell	Hall	Magnuson
Bennett, Mich.	Hansen	Michel
Berry	Harrison, Va.	Miller, Clem
Blatnik	Harvey, Ind.	Miller, George P.
Blitch	Hays	
Bolling	Hébert	Moeller
Boykin	Herlong	O'Brien, Ill.
Breeding	Hiestand	O'Konski
Bromwell	Hoeven	Peterson
Brown	Hoffman, Mich.	Quie
Burke, Ky.	Holland	Rains
Chiperfield	Jones, Mo.	Reifel
Coad	Karth	Rogers, Tex.
Curtin	Kee	Roosevelt
Denton	Kilburn	Roudebush
Dominick	Laird	Saund
Dooley	McDonough	Scherer
Scranton	Staggers	Watts
Seely-Brown	Thompson, La.	Weis
Shelley	Thornberry	Whalley
Sheppard	Ullman	Williams
Shipley	Van Pelt	Yates
Short	Van Zandt	Zelenko
Siler	Vinson	

So the conference report was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Hébert for, with Mr. Kilburn against.
Mr. Bromwell for, with Mr. Hoeven against.
Mr. Quie for, with Mr. Hall against.
Mr. MacGregor for, with Mr. Van Pelt against.
Mr. Herlong for, with Mr. McIntire against.
Mr. George P. Miller for, with Mr. Berry against.
Mr. Michel for, with Mr. Anderson of Illinois, against.
Mr. Ullman for, with Mr. Laird against.
Mr. Thompson of Louisiana for, with Mr. Brown against.
Mr. Burke of Kentucky for, with Mr. Hoffman of Michigan against.
Mr. Peterson for, with Mr. Hiestand against.
Mr. Roosevelt for, with Mr. Williams against.
Mr. Gray for, with Mr. Moeller against.
Mr. Scranton for, with Mr. Roudebush against.
Mr. Van Zandt for, with Mr. Scherer against.
Mr. Short for, with Mr. Siler against.
Mr. Skelly for, with Mr. Harvey of Indiana, against.
Mr. Sheppard for, with Mr. Shipley against.
Mr. Rains for, with Mr. O'Konski against.
Mr. Evins for, with Mr. Chiperfield against.
Mr. Bell for, with Mr. Belcher against.
Mr. Karth for, with Mr. Reifel against.
Mr. Denton for, with Mr. McVey against.
Mr. Blatnik for, with Mr. Dominick against.
Mr. Macdonald for, with Mr. Glenn against.

Until further notice:

Mr. Alexander with Mr. Adair.
Mr. Staggers with Mr. Curtin.
Mr. Rogers of Texas with Mr. Dooley.
Mrs. Hansen with Mr. Seely-Brown.
Mr. Frazier with Mr. McDonough.
Mr. Harrison of Virginia with Mrs. Weis.
Mr. Watts with Mr. Bennett of Michigan.
Mr. McDowell with Mr. Garland.

Mr. FLOOD changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AUTHORIZING CERTAIN BANKS TO INVEST IN CORPORATIONS WHOSE PURPOSE IS TO PROVIDE CLERICAL SERVICES

Mr. SPENCE. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 8874) to authorize certain banks to invest in corporations whose purpose is to provide clerical services for them, and for other purposes, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 4, strike out lines 1 to 4, inclusive, and insert: "any activity other than the performance of bank services for banks."

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

BANK SERVICE CORPORATIONS

Mr. PATMAN. Mr. Speaker, reserving the right to object, when this bill was before the Committee on Banking and Currency limited hearings only were conducted. The question of whether or not the banks cooperating in this matter would be in violation of the antitrust law was not investigated, and no hearings were held on the question. After the bill passed the House I contacted the Assistant Attorney General in charge of antitrust in the Department of Justice, and he gave me a letter which indicated to me if the bill is enacted into law it would be in violation of the law. The Senate committee had inadequate hearings too. They had very short hearings and did not go into that question.

So the question has not been resolved.

I invite your attention to just a few of the objections that the Attorney General has to this legislation:

The exchange of confidential business information among competitors carries with it the possibility that such information will be used for anticompetitive purposes. Thus the exchange of information concerning interest rates and charges to particular customers could result in an elimination of competition for the account and an artificial stabilization of interest rates at noncompetitive levels. Past experience has illustrated that such anticompetitive results have in fact occurred in the operation of many bank clearinghouse associations. To avoid this possibility, it would be desirable to provide that no information furnished to the service corporation may be made available to participating banks other than the bank directly involved.

There is a serious defect in this bill. It has not been investigated at all, no hearings were held on it, and it is I consider a fatal defect. I continue—

Moreover, such jointly owned corporations could become vehicles through which large banks could enhance their dominant position in the market.

That is another thing, Mr. Speaker, I am apprehensive of; that is, the large banks would have a position of advantage over the small banks. I read further:

Competition in the offering of services is one of the most important types of competition which the antitrust laws seek to preserve. Frequently, service competition is the principal means by which small businesses, including banks, are able to attract and maintain business. Any diminution in the incentives to small banks to engage in competition of this type would be of serious concern to the Department of Justice.

In view of the fact that the formation of such corporations is not exempted from the antitrust laws, any antitrust violations occurring in the operation of the service corporations would, of course, be subject to prosecution by the Department of Justice.

Mr. Speaker, I submit that since this question of violation of antitrust laws has not been gone into, it has not been investigated, no hearings have been conducted on that question at all, no witnesses have appeared before any congressional committee to comment upon that question at all, and since it is necessary that a congressional committee go

into it, I feel it would be unwise to accept the Senate amendment but that the bill should go back to the Committee on Banking and Currency.

Mr. DERWINSKI. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state his point of order.

Mr. DERWINSKI. Mr. Speaker, the point of order that the gentleman from Texas [Mr. PATMAN] made, as I understood it, was that the gentleman reserved the right to object.

Mr. PATMAN. I am reserving the right to object.

The SPEAKER. The Chair will state that if the gentleman presses his point of order at this point, the Chair will have to overrule it. On the other hand, the gentleman has another parliamentary procedure which will bring the matter to a head. But it is not the Chair's duty to suggest it.

Mr. DERWINSKI. Mr. Speaker, I am merely suggesting that the gentleman from Texas has not reached the point of his reservation.

Mr. PATMAN. I have just about reached it, but I will state to the gentleman that I was reserving the right to object.

Mr. Speaker, I ask unanimous consent to insert in the RECORD at this point the dissenting views, prepared by the gentleman from Texas [Mr. GONZALEZ] and myself, in opposition to this bill when it was reported out of the Committee on Banking and Currency of the House.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The dissenting views follow:

DISSENTING VIEWS OF HON. WRIGHT PATMAN AND HON. HENRY B. GONZALES

We dissent to H.R. 8874 on seven grounds.

(1) The bill raises serious problems under the antitrust laws and may open the door to restraints of trade, price fixing, and bank mergers. This very important question was not raised in the hearings. We are presenting an opinion of Judge Lee Loevinger, Assistant U.S. Attorney General, Antitrust Division, Department of Justice, herewith, that is convincing that further study be given this proposal.

(2) Inadequate hearings were held to guide us in this very new pioneering venture. More time should be given for developments and experience.

(3) Billions of dollars are involved in this bill that is presented in very short hearings where limited information was presented and where few questions were asked. This is a bonus to the banks since it allows 10 percent of their capital funds to perform double duty. Banks' capital can also be diluted by investments in small business investment companies. Capital funds are sacred and should be carefully guarded.

(4) No foundation has been laid for the necessity for banks to invest in service corporations as the only means of securing the advantages of electronic clerical services.

(5) The bill as written is tailormade to benefit particularly branch and holding company banking.

(6) Banks should not be permitted to dilute their capital structure in this fashion, when the banks already complain about inability to make loans because of insufficient capital.

(7) It is doubted that small or independent banks will permit even friendly competitors to have access to their confidential transactions and business, so we can reasonably expect that only branch and holding company banks will utilize the provision, with the result that they will have an advantage over their small and independent competitors. The bill thus would have consequences which its sponsors claim they are preventing.

BILL RAISES SERIOUS QUESTIONS UNDER THE ANTITRUST LAWS

The committee might well have elicited testimony from the Chief of the Antitrust Division of the Department of Justice to explore the possibility of problems this bill might create under the antitrust laws. Mr. Patman undertook to ask Judge Loevinger about this and received the following reply—which speaks quite eloquently of the problems this bill might raise:

JULY 27, 1962.

Hon. WRIGHT PATMAN,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN PATMAN: This is in reply to your request for my views on the possible antitrust consequences of H.R. 8874, a bill to authorize certain banks to invest in corporations whose purpose is to provide clerical services for them, and for other purposes.

While I do not disagree with the basic objectives of this bill, you may wish to consider possible abuses which might raise questions under the antitrust laws.

The exchange of confidential business information among competitors carries with it the possibility that such information will be used for anticompetitive purposes. Thus the exchange of information concerning interest rates and charges to particular customers could result in an elimination of competition for the account and an artificial stabilization of interest rates at noncompetitive levels. Past experience has illustrated that such anticompetitive results have in fact occurred in the operation of many bank clearinghouse associations. To avoid this possibility, it would be desirable to provide that no information furnished to the service corporation may be made available to participating banks other than the bank directly involved.

Moreover, such jointly owned corporations could become vehicles through which large banks could enhance their dominant position in the market. Competition in the offering of services is one of the most important types of competition which the antitrust laws seek to preserve. Frequently, service competition is the principal means by which small businesses, including banks, are able to attract and maintain business. Any diminution in the incentives to small banks to engage in competition of this type would be of serious concern to the Department of Justice.

In view of the fact that the formation of such corporations is not exempted from the antitrust laws, any antitrust violations occurring in the operation of the service corporations would, of course, be subject to prosecution by the Department of Justice. If, for example, the acquisition of stock in any of these corporations should substantially lessen competition or tend to create a monopoly, section 7 of the Clayton Act would be fully applicable.

Time has not permitted a detailed analysis of the bill or coordination of these views either within the Department or with the Bureau of the Budget. However, I hope that these observations may be of some help in your consideration of this matter.

Sincerely,

LEE LOEVINGER,
Assistant Attorney General,
Antitrust Division.

Judge Loevinger raises the question about the possible "exchange of confidential business information among competitors" and the possibility that this procedure might "be used for anticompetitive purposes."

This is obviously a serious matter, as witness the statement made by Mr. Wolcott:

"The bank service corporation will have in its possession records and data of two or more banks, confidential in nature and vital to the banks' operations. For that reason the supervisory agency must be put in a position of immediate control of any conduct by the bank service corporation constituting a violation of any provision of the bill or of any regulation thereunder." [1]

Thus, both the supervisory agencies and the Antitrust Division would, under this bill, be required to undertake additional burdens; namely, to observe very carefully the conduct of any bank service corporation, to determine whether they would involve any violations of law.

Judge Loevinger speaks of the danger of jointly owned corporations becoming "vehicles through which large banks could enhance their dominant position in the market."

He also stresses that "competition in the offering of services is one of the most important types of competition which the antitrust laws seek to preserve."

Further, he notes that—

"Frequently, service competition is the principal means by which small businesses, including banks, are able to attract and maintain business. Any diminution in the in the incentive to small banks to engage in competition of this type would be of serious concern to the Department of Justice."

Finally, Judge Loevinger points to the danger of monopolistic mergers. There is a tremendous merger movement underway among banks. The growing monopoly of money and credit—the lifeblood of our economy—poses an ominous threat particularly to opportunities for small business. The Congress should not take steps to accelerate this trend.

HEARINGS INADEQUATE FOR SUCH A PIONEERING VENTURE

H.R. 8874 would permit any two or more national banks and State member banks, when authorized by State law, to invest not exceeding 10 percent of each bank's capital and surplus in stock of a bank service corporation, established to provide clerical and bookkeeping services.

The hearings were exceedingly brief. Testimony was heard from the Chairman of the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, and a Director of the Federal Deposit Insurance Corporation (Mr. Wolcott). Statements were also filed by counsel of the Connecticut Bankers Association and by the executive vice president of the Massachusetts Bankers Association. Very few questions were raised by committee members. Comptroller of the Currency Saxon termed the bill "purely a technical, procedural one in essence, and intended primarily to meet the requirements of smaller institutions.[2]

He commented further that—

"The proposal is not an earthshaking thing." [3]

Comments of the banking officials notwithstanding, this is a serious pioneering venture for banks into nonbanking fields. More thorough testimony should be elicited and more time should be given for development and experience in this area before taking the major step the bill provides.

BANKS SHOULD NOT BE PERMITTED TO DILUTE CAPITAL STRUCTURE

It need hardly be documented, in view of the complaints we have heard in increasing

[1] Hearings on H.R. 8874, p. 47.
[2] Hearings, p. 40.
[3] Ibid.

Public Law 87-794
87th Congress, H. R. 11970
October 11, 1962

An Act

76 STAT. 872.

To promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—SHORT TITLE AND PURPOSES

Trade Expansion Act of 1962.

SEC. 101. SHORT TITLE.

This Act may be cited as the "Trade Expansion Act of 1962".

SEC. 102. STATEMENT OF PURPOSES.

The purposes of this Act are, through trade agreements affording mutual trade benefits—

(1) to stimulate the economic growth of the United States and maintain and enlarge foreign markets for the products of United States agriculture, industry, mining, and commerce;

(2) to strengthen economic relations with foreign countries through the development of open and nondiscriminatory trading in the free world; and

(3) to prevent Communist economic penetration.

TITLE II—TRADE AGREEMENTS

CHAPTER 1—GENERAL AUTHORITY

SEC. 201. BASIC AUTHORITY FOR TRADE AGREEMENTS.

(a) Whenever the President determines that any existing duties or other import restrictions of any foreign country or the United States are unduly burdening and restricting the foreign trade of the United States and that any of the purposes stated in section 102 will be promoted thereby, the President may—

(1) after June 30, 1962, and before July 1, 1967, enter into trade agreements with foreign countries or instrumentalities thereof; and

(2) proclaim such modification or continuance of any existing duty or other import restriction, such continuance of existing duty-free or excise treatment, or such additional import restrictions, as he determines to be required or appropriate to carry out any such trade agreement.

(b) Except as otherwise provided in this title, no proclamation pursuant to subsection (a) shall be made—

(1) decreasing any rate of duty to a rate below 50 percent of the rate existing on July 1, 1962; or

(2) increasing any rate of duty to (or imposing) a rate more than 50 percent above the rate existing on July 1, 1934.

SEC. 202. LOW-RATE ARTICLES.

Section 201(b)(1) shall not apply in the case of any article for which the rate of duty existing on July 1, 1962, is not more than 5 percent ad valorem (or ad valorem equivalent). In the case of an article subject to more than one rate of duty, the preceding sentence shall be applied by taking into account the aggregate of such rates.

90531 O - 62 -(721)

CHAPTER 2—SPECIAL PROVISIONS CONCERNING EUROPEAN ECONOMIC COMMUNITY

SEC. 211. IN GENERAL.

(a) In the case of any trade agreement with the European Economic Community, section 201(b)(1) shall not apply to articles in any category if, before entering into such trade agreement, the President determines with respect to such category that the United States and all countries of the European Economic Community together accounted for 80 percent or more of the aggregated world export value of all the articles in such category.

(b) For purposes of subsection (a)—

(1) As soon as practicable after the date of the enactment of this Act, the President shall—

(A) after taking into account the availability of trade statistics, select a system of comprehensive classification of articles by category, and

(B) make public his selection of such system.

(2) As soon as practicable after the President has selected a system pursuant to paragraph (1), the Tariff Commission shall—

(A) determine the articles falling within each category of such system, and

(B) make public its determinations.

The determination of the Tariff Commission as to the articles included in any category may be modified only by the Tariff Commission. Such modification by the Tariff Commission may be made only for the purpose of correction, and may be made only before the date on which the first list of articles specifying this section is furnished by the President to the Tariff Commission pursuant to section 221.

(c) For the purpose of making a determination under subsection (a) with respect to any category—

(1) The determination of the countries of the European Economic Community shall be made as of the date of the request under subsection (d).

(2) The President shall determine "aggregated world export value" with respect to any category of articles—

(A) on the basis of a period which he determines to be representative for such category, which period shall be included in the most recent 5-year period before the date of the request under subsection (d) for which statistics are available and shall contain at least 2 one-year periods,

(B) on the basis of the dollar value of exports as shown by trade statistics in use by the Department of Commerce, and

(C) by excluding exports—

(i) from any country of the European Economic Community to another such country, and

(ii) to or from any country or area which, at any time during the representative period, was denied trade agreement benefits under section 231, or under section 5 of the Trade Agreements Extension Act of 1951, or under section 401(a) of the Tariff Classification Act of 1962.

65 Stat. 73; Post, p. 882. 19 USC 1362.

(d) Before the President makes a determination under subsection (a) with respect to any category, the Tariff Commission shall (upon request of the President) make findings as to—

Ante, p. 78.

(1) the representative period for such category,

(2) the aggregated world export value of the articles falling within such category, and

(3) the percentage of the aggregated world export value of such articles accounted for by the United States and the countries of the European Economic Community,

and shall advise the President of such findings.

(e) The exception to section 201(b)(1) provided by subsection (a) shall not apply to any article referred to in Agricultural Handbook No. 143, United States Department of Agriculture, as issued in September 1959.

SEC. 212. AGRICULTURAL COMMODITIES.

In the case of any trade agreement with the European Economic Community, section 201(b)(1) shall not apply to any article referred to in Agricultural Handbook No. 143, United States Department of Agriculture, as issued in September 1959, if before entering into such agreement the President determines that such agreement will tend to assure the maintenance or expansion of United States exports of the like article.

SEC. 213. TROPICAL AGRICULTURAL AND FORESTRY COMMODITIES.

(a) Section 201(b)(1) shall not apply to any article if, before entering into the trade agreement covering such article, the President determines that—

(1) such article is a tropical agricultural or forestry commodity;

(2) the like article is not produced in significant quantities in the United States; and

(3) the European Economic Community has made a commitment with respect to duties or other import restrictions which is likely to assure access for such article to the markets of the European Economic Community which—

(A) is comparable to the access which such article will have to the markets of the United States, and

(B) will be afforded substantially without differential treatment as among free world countries of origin.

(b) For purposes of subsection (a), a "tropical agricultural or forestry commodity" is an agricultural or forestry commodity with respect to which the President determines that more than one-half of the world production is in the area of the world between 20 degrees north latitude and 20 degrees south latitude.

(c) Before the President makes a determination under subsection (a) with respect to any article, the Tariff Commission shall (upon request of the President) make findings as to—

(1) whether or not such article is an agricultural or forestry commodity more than one-half of the world production of which is in the area of the world between 20 degrees north latitude and 20 degrees south latitude, and

(2) whether or not the like article is produced in significant quantities in the United States,

and shall advise the President of such findings.

CHAPTER 3—REQUIREMENTS CONCERNING NEGOTIATIONS

SEC. 221. TARIFF COMMISSION ADVICE.

(a) In connection with any proposed trade agreement under this title, the President shall from time to time publish and furnish the Tariff Commission with lists of articles which may be considered for modification or continuance of United States duties or other import restrictions, or continuance of United States duty-free or exise treatment. In the case of any article with respect to which consideration

may be given to reducing the rate of duty below the 50 percent limita tion contained in section 201(b)(1), the list shall specify the sectio or sections of this title pursuant to which such consideration may b given.

(b) Within 6 months after receipt of such a list, the Tariff Com mission shall advise the President with respect to each article of it judgment as to the probable economic effect of modifications of dutie or other import restrictions on industries producing like or directl competitive articles, so as to assist the President in making an in formed judgment as to the impact that might be caused by suc modifications on United States industry, agriculture, and labor.

(c) In preparing its advice to the President, the Tariff Commissio shall, to the extent practicable—

(1) investigate conditions, causes, and effects relating to compe tition between the foreign industries producing the articles i question and the domestic industries producing the like or directl competitive articles;

(2) analyze the production, trade, and consumption of each lik or directly competitive article, taking into consideration emplo ment, profit levels, and use of productive facilities with respec the domestic industries concerned, and such other economic fa tors in such industries as it considers relevant, including price wages, sales, inventories, patterns of demand, capital investmen obsolescence of equipment, and diversification of production;

(3) describe the probable nature and extent of any significan change in employment, profit levels, use of productive facilitie and such other conditions as it deems relevant in the domesti industries concerned which it believes such modifications woul cause; and

(4) make special studies (including studies of real wages pai in foreign supplying countries), whenever deemed to be wa ranted, of particular proposed modifications affecting Unite States industry, agriculture, and labor, utilizing to the fulles extent practicable the facilities of United States attachés abroa and other appropriate personnel of the United States.

(d) In preparing its advice to the President, the Tariff Commissio shall, after reasonable notice, hold public hearings.

SEC. 222. ADVICE FROM DEPARTMENTS.

Before any trade agreement is entered into under this title, th President shall seek information and advice with respect to suc agreement from the Departments of Agriculture, Commerce, Def Interior, Labor, State, and Treasury, and from such other source he may deem appropriate.

SEC. 223. PUBLIC HEARINGS.

In connection with any proposed trade agreement under this titl the President shall afford an opportunity for any interested person t present his views concerning any article on a list published pursua to section 221, any article which should be so listed, any concessio which should be sought by the United States, or any other matte relevant to such proposed trade agreement. For this purpose, th President shall designate an agency or an interagency committe which shall, after reasonable notice, hold public hearings, shall pre scribe regulations governing the conduct of such hearings, and sha furnish the President with a summary of such hearings.

Designation of agency by President.

SEC. 224. PREREQUISITE FOR OFFERS.

The President may make an offer for the modification or continu ance of any duty or other import restriction, or continuance of dut free or excise treatment, with respect to any article only after he ha

received advice concerning such article from the Tariff Commission under section 221(b), or after the expiration of the relevant 6-month period provided for in that section, whichever first occurs, and only after the President has received a summary of the hearings at which an opportunity to be heard with respect to such article has been afforded under section 223.

SEC. 225. RESERVATION OF ARTICLES FROM NEGOTIATIONS.

(a) While there is in effect with respect to any article any action taken under—

(1) section 232, 351, or 352,

(2) section 2(b) of the Act entitled "An Act to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended", approved July 1, 1954 (19 U.S.C., sec. 1352a), or 72 Stat. 678.

(3) section 7 of the Trade Agreements Extension Act of 1951 (19 U.S.C., sec. 1364), 65 Stat. 74.

the President shall reserve such article from negotiations under this title for the reduction of any duty or other import restriction or the elimination of any duty. Post, p. 882.

(b) During the 5-year period which begins on the date of the enactment of this Act, the President shall reserve an article (other than an article which, on the date of the enactment of this Act, was described in subsection (a)(3)) from negotiation under this title for the reduction of any duty or other import restriction or the elimination of any duty where—

(1) pursuant to section 7 of the Trade Agreements Extension Act of 1951 (or pursuant to a comparable Executive Order), the Tariff Commission found by a majority of the Commissioners voting that such article was being imported in such increased quantities as to cause or threaten serious injury to an industry,

(2) such article is included in a list furnished to the Tariff Commission pursuant to section 221 (and has not been included in a prior list so furnished), and

(3) upon request on behalf of the industry, made not later than 60 days after the date of the publication of such list, the Tariff Commission finds and advises the President that economic conditions in such industry have not substantially improved since the date of the report of the finding referred to in paragraph (1).

(c) In addition to the articles described by subsections (a) and (b), the President shall also so reserve any other article which he determines to be appropriate, taking into consideration the advice of the Tariff Commission under section 221(b), any advice furnished to him under section 222, and the summary furnished to him under section 223.

SEC. 226. TRANSMISSION OF AGREEMENTS TO CONGRESS.

The President shall transmit promptly to each House of Congress a copy of each trade agreement entered into under this title, together with a statement, in the light of the advice of the Tariff Commission under section 221(b) and of other relevant considerations, of his reasons for entering into the agreement.

CHAPTER 4—NATIONAL SECURITY

SEC. 231. PRODUCTS OF COMMUNIST COUNTRIES OR AREAS.

The President shall, as soon as practicable, suspend, withdraw, or prevent the application of the reduction, elimination, or continuance of any existing duty or other import restriction, or the continuance of any existing duty-free or excise treatment, proclaimed in carrying out any trade agreement under this title or under section 350 of the Tariff Act of 1930, to products, whether imported directly or in- 48 Stat. 943; 19 USC 1351. Post, pp. 881-883.

directly, of any country or area dominated or controlled by Communism.

SEC. 232. SAFEGUARDING NATIONAL SECURITY.

48 Stat. 943; Post, pp. 881-883. 19 USC 1351.

(a) No action shall be taken pursuant to section 201(a) or pursuant to section 350 of the Tariff Act of 1930 to decrease or eliminate the duty or other import restriction on any article if the President determines that such reduction or elimination would threaten to impair the national security.

Office of Emergency Planning. Investigation by Director.

(b) Upon request of the head of any department or agency, upon application of an interested party, or upon his own motion, the Director of the Office of Emergency Planning (hereinafter in this section referred to as the "Director") shall immediately make an appropriate investigation, in the course of which he shall seek information and advice from other appropriate departments and agencies, to determine the effects on the national security of imports of the article which is the subject of such request, application, or motion. If, as a result of such investigation, the Director is of the opinion that the said article is being imported into the United States in such quantities or under such circumstances as to threaten to impair the national security, he shall promptly so advise the President, and, unless the President determines that the article is not being imported into the United States in such quantities or under such circumstances as to threaten to impair the national security as set forth in this section, he shall take such action, and for such time, as he deems necessary to adjust the imports of such article and its derivatives so that such imports will not so threaten to impair the national security.

Domestic production for national defense.

(c) For the purposes of this section, the Director and the President shall, in the light of the requirements of national security and without excluding other relevant factors, give consideration to domestic production needed for projected national defense requirements, the capacity of domestic industries to meet such requirements, existing and anticipated availabilities of the human resources, products, raw materials, and other supplies and services essential to the national defense, the requirements of growth of such industries and such supplies and services including the investment, exploration, and development necessary to assure such growth, and the importation of goods in terms of their quantities, availabilities, character, and use as those affect such industries and the capacity of the United States to meet national security requirements. In the administration of this section, the Director and the President shall further recognize the close relation of the economic welfare of the Nation to our national security and shall take into consideration the impact of foreign competition on the economic welfare of individual domestic industries; and any substantial unemployment, decrease in revenues of government, loss of skills or investment, or other serious effects resulting from the displacement of any domestic products by excessive imports shall be considered, without excluding other factors, in determining whether such weakening of our internal economy may impair the national security.

Foreign competition, impact on domestic industries.

(d) A report shall be made and published upon the disposition of each request, application, or motion under subsection (b). The Director shall publish procedural regulations to give effect to the authority conferred on him by subsection (b).

CHAPTER 5—ADMINISTRATIVE PROVISIONS

SEC. 241. SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS.

(a) The President shall appoint, by and with the advice and consent of the Senate, a Special Representative for Trade Negotiations, who shall be the chief representative of the United States for each negotiation under this title and for such other negotiations as in the President's judgment require that the Special Representative be the chief representative of the United States, and who shall be the chairman of the organization established pursuant to section 242(a). The Special Representative for Trade Negotiations shall hold office at the pleasure of the President, shall be entitled to receive the same compensation and allowances as a chief of mission, and shall have the rank of ambassador extraordinary and plenipotentiary. Appointment by President.

(b) The Special Representative for Trade Negotiations shall, in the performance of his functions under subsection (a), seek information and advice with respect to each negotiation from representatives of industry, agriculture, and labor, and from such agencies as he deems appropriate.

SEC. 242. INTERAGENCY TRADE ORGANIZATION.

(a) The President shall establish an interagency organization to assist him in carrying out the functions vested in him by this title and sections 351 and 352. Such organization shall, in addition to the Special Representative for Trade Negotiations, be composed of the heads of such departments and of such other officers as the President shall designate. It shall meet at such times and with respect to such matters as the President or the chairman of the organization shall direct. The organization may invite the participation in its activities of any agency not represented in the organization when matters of interest to such agency are under consideration.

(b) In assisting the President, the organization shall—

(1) make recommendations to the President on basic policy issues arising in the administration of the trade agreements program,

(2) make recommendations to the President as to what action, if any, he should take on reports with respect to tariff adjustment submitted to him by the Tariff Commission under section 301(e),

(3) advise the President of the results of hearings concerning foreign import restrictions held pursuant to section 252(d), and recommend appropriate action with respect thereto, and

(4) perform such other functions with respect to the trade agreements program as the President may from time to time designate.

(c) The organization shall, to the maximum extent practicable, draw upon the resources of the agencies represented in the organization, as well as such other agencies as it may determine, including the Tariff Commission. In addition, the President may establish by regulation such procedures and committees as he may determine to be necessary to enable the organization to provide for the conduct of hearings pursuant to section 252(d), and for the carrying out of other functions assigned to the organization pursuant to this section.

SEC. 243. CONGRESSIONAL DELEGATES TO NEGOTIATIONS.

Before each negotiation under this title, the President shall, upon the recommendation of the Speaker of the House of Representatives, select two members (not of the same political party) of the Committee on Ways and Means, and shall, upon the recommendation of the President of the Senate, select two members (not of the same political party) of the Committee on Finance, who shall be accredited as members of the United States delegation to such negotiation.

CHAPTER 6—GENERAL PROVISIONS

SEC. 251. MOST-FAVORED-NATION PRINCIPLE.

Post, p. 881. Ante, p. 78. Except as otherwise provided in this title, in section 350(b) of the Tariff Act of 1930, or in section 401(a) of the Tariff Classification Act of 1962, any duty or other import restriction or duty-free treatment proclaimed in carrying out any trade agreement under this title or section 350 of the Tariff Act of 1930 shall apply to products of all foreign countries, whether imported directly or indirectly.

48 Stat. 943; Post, pp. 881-883. 19 USC 1351.

SEC. 252. FOREIGN IMPORT RESTRICTIONS.

(a) Whenever unjustifiable foreign import restrictions impair the value of tariff commitments made to the United States, oppress the commerce of the United States, or prevent the expansion of trade on a mutually advantageous basis, the President shall—

(1) take all appropriate and feasible steps within his power to eliminate such restrictions,

(2) refrain from negotiating the reduction or elimination of any United States import restriction under section 201(a) in order to obtain the reduction or elimination of any such restrictions, and

(3) notwithstanding any provision of any trade agreement under this Act and to the extent he deems necessary and appropriate, impose duties or other import restrictions on the products of any foreign country or instrumentality establishing or maintaining such foreign import restrictions against United States agricultural products, when he deems such duties and other import restrictions necessary and appropriate to prevent the establishment or obtain the removal of such foreign import restrictions and to provide access for United States agricultural products to the markets of such country or instrumentality on an equitable basis.

(b) Whenever a foreign country or instrumentality the products of which receive benefits of trade agreement concessions made by the United States—

(1) maintains nontariff trade restrictions, including variable import fees, which substantially burden United States commerce in a manner inconsistent with provisions of trade agreements, or

Discriminatory acts.

(2) engages in discriminatory or other acts (including tolerance of international cartels) or policies unjustifiably restricting United States commerce,

the President shall, to the extent that such action is consistent with the purposes of section 102—

Suspension, etc., of benefits.

(A) suspend, withdraw, or prevent the application of benefits of trade agreement concessions to products of such country or instrumentality, or

(B) refrain from proclaiming benefits of trade agreement concessions to carry out a trade agreement with such country or instrumentality.

Unreasonable import restrictions.

(c) Whenever a foreign country or instrumentality, the products of which receive benefits of trade agreement concessions made by the United States, maintains unreasonable import restrictions which either directly or indirectly substantially burden United States commerce, the President may, to the extent that such action is consistent with the purposes of section 102, and having due regard for the international obligations of the United States—

(1) suspend, withdraw, or prevent the application of benefits of trade agreement concessions to products of such country or instrumentality, or

(2) refrain from proclaiming benefits of trade agreement concessions to carry out a trade agreement with such country or instrumentality.

(d) The President shall provide an opportunity for the presentation of views concerning foreign import restrictions which are referred to in subsections (a), (b), and (c) and are maintained against United States commerce. Upon request by any interested person, the President shall, through the organization established pursuant to section 242(a), provide for appropriate public hearings with respect to such restrictions after reasonable notice and provide for the issuance of regulations concerning the conduct of such hearings.

SEC. 253. STAGING REQUIREMENTS.

(a) Except as otherwise provided in this section and in section 254, the aggregate reduction in the rate of duty on any article which is in effect on any day pursuant to a trade agreement under this title shall not exceed the aggregate reduction which would have been in effect on such day if—

(1) one-fifth of the total reduction under such agreement for such article had taken effect on the date of the first proclamation pursuant to section 201(a) to carry out such trade agreement, and

(2) the remaining four-fifths of such total reduction had taken effect in four equal installments at 1-year intervals after the date referred to in paragraph (1).

(b) Subsection (a) shall not apply to any article with respect to which the President has made a determination under section 213(a).

(c) In the case of an article the rate of duty on which has been or is to be reduced pursuant to a prior trade agreement, no reduction shall take effect pursuant to a trade agreement entered into under section 201(a) before the expiration of 1 year after the taking effect of the final reduction pursuant to such prior agreement.

(d) If any part of a reduction takes effect, then any time thereafter during which such part of the reduction is not in effect by reason of legislation of the United States or action thereunder shall be excluded in determining—

(1) the 1-year intervals referred to in subsection (a)(2), and

(2) the expiration of the 1 year referred to in subsection (c).

SEC. 254. ROUNDING AUTHORITY.

If the President determines that such action will simplify the computation of the amount of duty imposed with respect to an article, he may exceed the limitation provided by section 201(b)(1) or 253 by not more than whichever of the following is lesser:

(1) the difference between the limitation and the next lower whole number, or

(2) one-half of 1 percent ad valorem or an amount the ad valorem equivalent of which is one-half of 1 percent.

SEC. 255. TERMINATION.

(a) Every trade agreement entered into under this title shall be subject to termination or withdrawal, upon due notice, at the end of a period specified in the agreement. Such period shall be not more than 3 years from the date on which the agreement becomes effective. If the agreement is not terminated or withdrawn from at the end of the period so specified, it shall be subject to termination or withdrawal thereafter upon not more than 6 months' notice.

(b) The President may at any time terminate, in whole or in part, any proclamation made under this title.

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SEC. 256. DEFINITIONS.

For purposes of this title—

(1) The term "European Economic Community" means the instrumentality known by such name or any successor thereto.

(2) The countries of the European Economic Community as of any date shall be those countries which on such date are agreed to achieve a common external tariff through the European Economic Community.

(3) The term "agreement with the European Economic Community" means an agreement to which the United States and all countries of the European Economic Community (determined as of the date such agreement is entered into) are parties. For purposes of the preceding sentence, each country for which the European Economic Community signs an agreement shall be treated as a party to such agreement.

(4) The term "existing on July 1, 1962", as applied to a rate of duty, refers to the lowest nonpreferential rate of duty (however established, and even though temporarily suspended by Act of Congress or otherwise) existing on such date or (if lower) the lowest nonpreferential rate to which the United States is committed on such date and which may be proclaimed under section 350 of the Tariff Act of 1930.

48 Stat. 943; Infra; Post, pp. 882, 883.

(5) The term "existing on July 1, 1934", as applied to a rate of duty, refers to the rate of duty (however established, and even though temporarily suspended by Act of Congress or otherwise) existing on such date.

(6) The term "existing" without the specification of any date, when used with respect to any matter relating to entering into, or any proclamation to carry out, a trade agreement, means existing on the day on which such trade agreement is entered into, and, when referring to a rate of duty, refers to the rate of duty (however established, and even though temporarily suspended by Act of Congress or otherwise) existing on such day.

(7) The term "ad valorem equivalent" means the ad valorem equivalent of a specific rate or, in the case of a combination of rates including a specific rate, the sum of the ad valorem equivalent of the specific rate and of the ad valorem rate. The ad valorem equivalent shall be determined by the President on the basis of the value of imports of the article concerned during a period determined by him to be representative. In determining the value of imports, the President shall utilize, to the maximum extent practicable, the standards of valuation contained in section 402 or 402a of the Tariff Act of 1930 (19 U.S.C., sec. 1401a or 1402) applicable to the article concerned during such representative period.

70 Stat. 943. 46 Stat. 708.

SEC. 257. RELATION TO OTHER LAWS.

(a) The first sentence of subsection (b) of section 350 of the Tariff Act of 1930 is amended by striking out "this section" each place it appears and inserting in lieu thereof "this section or the Trade Expansion Act of 1962". The second sentence of such subsection (b) is amended by striking out "this Act" and inserting in lieu thereof "this Act or the Trade Expansion Act of 1962". The third sentence of such subsection (b) is amended by striking out "1955," in paragraph (2) and inserting in lieu thereof "1955, and before July 1, 1962," and by adding at the end thereof the following new paragraph:

48 Stat. 943. 19 USC 1351.

"(3) In order to carry out a foreign trade agreement entered into after June 30, 1962, and before July 1, 1967, below the lowest rate permissible by applying title II of the Trade Expansion Act of 1962 to the rate of duty (however established, and even though

temporarily suspended by Act of Congress or otherwise) existing on July 1, 1962, with respect to such product."

(b) Subsections (a)(5) and (e) of section 350 of the Tariff Act of 1930 are repealed. Repeal. 69 Stat. 164, 165;

(c) For purposes only of entering into trade agreements pursuant to the notices of intention to negotiate published in the Federal Register of May 28, 1960, and the Federal Register of November 23, 1960, the period during which the President is authorized to enter into foreign trade agreements under section 350 of the Tariff Act of 1930 is hereby extended from the close of June 30, 1962, until the close of December 31, 1962. 72 Stat. 673. 25 F.R. 4764, 1119. 48 Stat. 943. Ante, p. 881. Post, p. 883.

(d) The second and third sentences of section 2(a) of the Act entitled "An Act to amend the Tariff Act of 1930", approved June 12, 1934, as amended (19 U.S.C., sec. 1352(a)), are each amended by striking out "this Act" and inserting in lieu thereof "this Act or the Trade Expansion Act of 1962". 19 USC 1351. 48 Stat. 944.

(e)(1) Sections 5, 6, 7, and 8(a) of the Trade Agreements Extension Act of 1951 are repealed. Repeal. 65 Stat. 73.

(2) Action taken by the President under section 5 of such Act and in effect on the date of the enactment of this Act shall be considered as having been taken by the President under section 231. 19 USC 1362-1365. Ante, p. 876.

(3) Any investigation by the Tariff Commission under section 7 of such Act which is in progress on the date of the enactment of this Act shall be continued under section 301 as if the application by the interested party were a petition under such section for tariff adjustment under section 351. For purposes of section 301(f), such petition shall be treated as having been filed on the date of the enactment of this Act. Post, p. 883.

(f) Section 2 of the Act entitled "An Act to extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended", approved July 1, 1954, is repealed. Any action (including any investigation begun) under such section 2 before the date of the enactment of this Act shall be considered as having been taken or begun under section 232. Repeal. 72 Stat. 678. 19 USC 1352a.

(g)(1) Section 102(1) of the Tariff Classification Act of 1962 is amended by striking out "of schedules 1 to 7, inclusive,". Ante, p. 74.

(2) Section 203 of the Tariff Classification Act of 1962 is amended to read as follows: Ante, p. 75.

"SEC. 203. For purposes of applying sections 323 and 350 of the Tariff Act of 1930, as amended, and the Trade Expansion Act of 1962 with respect to the Tariff Schedules of the United States— Post, p. 883. Supra.

"(1) The rate of duty in rate column numbered 2 for each item in schedules 1 to 7, inclusive, of the Tariff Schedules of the United States shall be treated as the rate of duty existing on July 1, 1934.

"(2) The lowest preferential or nonpreferential rate of duty in rate column numbered 1 for each item in schedules 1 to 7, inclusive, of the Tariff Schedules of the United States on the effective date provided in section 501(a) of this Act shall be treated as the lowest preferential or nonpreferential rate of duty, respectively, existing on July 1, 1962; except that in the case of any such item included in a supplemental report made pursuant to section 101(c) of this Act to reflect a change proclaimed by the President after July 1, 1962 (other than a change to which the United States was committed on July 1, 1962), the rate treated as the lowest nonpreferential rate of duty existing on July 1, 1962, shall be the rate which the Commission specifically declares in such supplemental report to be the rate which, in its judgment, conforms to the fullest extent practicable to the rate regarded as existing on July 1, 1962, under section 256(4) of the Trade Expansion Act of 1962. Ante, p. 78. Ante, p. 73.

"(3) Legislation entering into force after the effective date provided for in section 501(a) of this Act which results in the permanent reclassification of any article without specifying the rate of duty applicable thereto, and proclamations under section 202(c) of this Act, shall be considered as having been in effect since June 30, 1962."

Ante, p. 78.

Ante, p. 75.

(h) Nothing contained in this Act shall be construed to affect in any way the provisions of section 22 of the Agricultural Adjustment Act, or to apply to any import restriction heretofore or hereafter imposed under such section.

64 Stat. 261.
7 USC 624.

(i) Part I of title III of the Tariff Act of 1930 is amended by adding at the end thereof the following new section:

19 USC 1301 et seq.

"SEC. 323. CONSERVATION OF FISHERY RESOURCES.

"Upon the convocation of a conference on the use or conservation of international fishery resources, the President shall, by all appropriate means at his disposal, seek to persuade countries whose domestic fishing practices or policies affect such resources, to engage in negotiations in good faith relating to the use or conservation of such resources. If, after such efforts by the President and by other countries which have agreed to engage in such negotiations, any other country whose conservation practices or policies affect the interests of the United States and such other countries, has, in the judgment of the President, failed or refused to engage in such negotiations in good faith, the President may, if he is satisfied that such action is likely to be effective in inducing such country to engage in such negotiations in good faith, increase the rate of duty on any fish (in any form) which is the product of such country, for such time as he deems necessary, to a rate not more than 50 percent above the rate existing on July 1, 1934."

SEC. 258. REFERENCES.

All provisions of law (other than this Act and the Trade Agreements Extension Act of 1951) in effect after June 30, 1962, referring to section 350 of the Tariff Act of 1930, to that section as amended, to the Act entitled "An Act to amend the Tariff Act of 1930", approved June 12, 1934, to that Act as amended, or to agreements entered into or proclamations issued, under any of such provisions, shall be construed, unless clearly precluded by the context, to refer also to this Act, or to agreements entered into or proclamations issued, pursuant to this Act.

65 Stat. 72.
19 USC 1360 note.
48 Stat. 943;
Ante, pp. 881, 882.
Supra.
19 USC 1352-1354.

TITLE III—TARIFF ADJUSTMENT AND OTHER ADJUSTMENT ASSISTANCE

CHAPTER 1—ELIGIBILITY FOR ASSISTANCE

SEC. 301. TARIFF COMMISSION INVESTIGATIONS AND REPORTS.

(a)(1) A petition for tariff adjustment under section 351 may be filed with the Tariff Commission by a trade association, firm, certified or recognized union, or other representative of an industry.

(2) A petition for a determination of eligibility to apply for adjustment assistance under chapter 2 may be filed with the Tariff Commission by a firm or its representative, and a petition for a determination of eligibility to apply for adjustment assistance under chapter 3 may be filed with the Tariff Commission by a group of workers or by their certified or recognized union or other duly authorized representative.

(3) Whenever a petition is filed under this subsection, the Tariff Commission shall transmit a copy thereof to the Secretary of Commerce. Investigation by Tariff Commission.

(b)(1) Upon the request of the President upon resolution of either the Committee on Finance of the Senate or the Committee on Ways and Means of the House of Representatives, upon its own motion, or upon the filing of a petition under subsection (a)(1), the Tariff Commission shall promptly make an investigation to determine whether, as a result in major part of concessions granted under trade agreements, an article is being imported into the United States in such increased quantities as to cause, or threaten to cause, serious injury to the domestic industry producing an article which is like or directly competitive with the imported article.

(2) In making its determination under paragraph (1), the Tariff Commission shall take into account all economic factors which it considers relevant, including idling of productive facilities, inability to operate at a level of reasonable profit, and unemployment or underemployment.

(3) For purposes of paragraph (1), increased imports shall be considered to cause, or threaten to cause, serious injury to the domestic industry concerned when the Tariff Commission finds that such increased imports have been the major factor in causing, or threatening to cause, such injury.

(4) No investigation for the purpose of paragraph (1) shall be made, upon petition filed under subsection (a)(1), with respect to the same subject matter as a previous investigation under paragraph (1), unless one year has elapsed since the Tariff Commission made its report to the President of the results of such previous investigation.

(c)(1) In the case of a petition by a firm for a determination of eligibility to apply for adjustment assistance under chapter 2, the Tariff Commission shall promptly make an investigation to determine whether, as a result in major part of concessions granted under trade agreements, an article like or directly competitive with an article produced by the firm is being imported into the United States in such increased quantities as to cause, or threaten to cause, serious injury to such firm. In making its determination under this paragraph, the Tariff Commission shall take into account all economic factors which it considers relevant, including idling of productive facilities of the firm, inability of the firm to operate at a level of reasonable profit, and unemployment or underemployment in the firm. Adjusted assistance. Petition by a firm.

(2) In the case of a petition by a group of workers for a determination of eligibility to apply for adjustment assistance under chapter 3, the Tariff Commission shall promptly make an investigation to determine whether, as a result in major part of concessions granted under trade agreements, an article like or directly competitive with an article produced by such workers' firm, or an appropriate subdivision thereof, is being imported into the United States in such increased quantities as to cause, or threaten to cause, unemployment or underemployment of a significant number or proportion of the workers of such firm or subdivision. Petition by group of workers.

(3) For purposes of paragraphs (1) and (2), increased imports shall be considered to cause, or threaten to cause, serious injury to a firm or unemployment or underemployment, as the case may be, when the Tariff Commission finds that such increased imports have been the major factor in causing, or threatening to cause, such injury or unemployment or underemployment.

(d)(1) In the course of any investigation under subsection (b)(1), the Tariff Commission shall, after reasonable notice, hold public hearings and shall afford interested parties opportunity to be present, to produce evidence, and to be heard at such hearings.

(2) In the course of any investigation under subsection (c)(1) or (c)(2), the Tariff Commission shall, after reasonable notice, hold public hearings if requested by the petitioner, or if, within 10 days after notice of the filing of the petition, a hearing is requested by any other party showing a proper interest in the subject matter of the investigation, and shall afford interested parties an opportunity to be present, to produce evidence, and to be heard at such hearings.

(e) Should the Tariff Commission find with respect to any article, as the result of its investigation, the serious injury or threat thereof described in subsection (b), it shall find the amount of the increase in, or imposition of, any duty or other import restriction on such article which is necessary to prevent or remedy such injury and shall include such finding in its report to the President.

Report to President.

(f)(1) The Tariff Commission shall report to the President the results of each investigation under this section and include in each report any dissenting or separate views. The Tariff Commission shall furnish to the President a transcript of the hearings and any briefs which may have been submitted in connection with each investigation.

(2) The report of the Tariff Commission of its determination under subsection (b) shall be made at the earliest practicable time, but not later than 6 months after the date on which the petition is filed (or the date on which the request or resolution is received or the motion is adopted, as the case may be). Upon making such report to the President, the Tariff Commission shall promptly make public such report, and shall cause a summary thereof to be published in the Federal Register.

Publication in F. R.

(3) The report of the Tariff Commission of its determination under subsection (c)(1) or (c)(2) with respect to any firm or group of workers shall be made at the earliest practicable time, but not later than 60 days after the date on which the petition is filed.

(g) Except as provided in section 257(e)(3), no petition shall be filed under subsection (a), and no request, resolution, or motion shall be made under subsection (b), prior to the close of the 60th day after the date of the enactment of this Act.

SEC. 302. PRESIDENTIAL ACTION AFTER TARIFF COMMISSION DETERMINATION.

(a) After receiving a report from the Tariff Commission containing an affirmative finding under section 301(b) with respect to any industry, the President may—

(1) provide tariff adjustment for such industry pursuant to section 351 or 352,

(2) provide, with respect to such industry, that its firms may request the Secretary of Commerce for certifications of eligibility to apply for adjustment assistance under chapter 2,

(3) provide, with respect to such industry, that its workers may request the Secretary of Labor for certifications of eligibility to apply for adjustment assistance under chapter 3, or

(4) take any combination of such actions.

(b)(1) The Secretary of Commerce shall certify, as eligible to apply for adjustment assistance under chapter 2, any firm in an industry with respect to which the President has acted under subsection (a)(2), upon a showing by such firm to the satisfaction of the Secretary of Commerce that the increased imports (which the Tariff Commission has determined to result from concessions granted under

trade agreements) have caused serious injury or threat thereof to such firm.

(2) The Secretary of Labor shall certify, as eligible to apply for adjustment assistance under chapter 3, any group of workers in an industry with respect to which the President has acted under subsection (a)(3), upon a showing by such group of workers to the satisfaction of the Secretary of Labor that the increased imports (which the Tariff Commission has determined to result from concessions granted under trade agreements) have caused or threatened to cause unemployment or underemployment of a significant number or proportion of workers of such workers' firm or subdivision thereof.

(c) After receiving a report from the Tariff Commission containing an affirmative finding under section 301(c) with respect to any firm or group of workers, the President may certify that such firm or group of workers is eligible to apply for adjustment assistance.

(d) Any certification under subsection (b) or (c) that a group of workers is eligible to apply for adjustment assistance shall specify the date on which the unemployment or underemployment began or threatens to begin.

(e) Whenever the President determines, with respect to any certification of the eligibility of a group of workers, that separations from the firm or subdivision thereof are no longer attributable to the conditions specified in section 301(c)(2) or in subsection (b)(2) of this section, he shall terminate the effect of such certification. Such termination shall apply only with respect to separations occurring after the termination date specified by the President.

CHAPTER 2—ASSISTANCE TO FIRMS

SEC. 311. CERTIFICATION OF ADJUSTMENT PROPOSALS.

(a) A firm certified under section 302 as eligible to apply for adjustment assistance may, at any time within 2 years after the date of such certification, file an application with the Secretary of Commerce for adjustment assistance under this chapter. Within a reasonable time after filing its application, the firm shall present a proposal for its economic adjustment.

(b) Adjustment assistance under this chapter consists of technical assistance, financial assistance, and tax assistance, which may be furnished singly or in combination. Except as provided in subsection (c), no adjustment assistance shall be provided to a firm under this chapter until its adjustment proposal shall have been certified by the Secretary of Commerce—

(1) to be reasonably calculated materially to contribute to the economic adjustment of the firm,

(2) to give adequate consideration to the interests of the workers of such firm adversely affected by actions taken in carrying out trade agreements, and

(3) to demonstrate that the firm will make all reasonable efforts to use its own resources for economic development.

(c) In order to assist a firm which has applied for adjustment assistance under this chapter in preparing a sound adjustment proposal, the Secretary of Commerce may furnish technical assistance to such firm prior to certification of its adjustment proposal.

(d) Any certification made pursuant to this section shall remain in force only for such period as the Secretary of Commerce may prescribe.

SEC. 312. USE OF EXISTING AGENCIES.

(a) The Secretary of Commerce shall refer each certified adjustment proposal to such agency or agencies as he determines to be appropriate to furnish the technical and financial assistance necessary to carry out such proposal.

(b) Upon receipt of a certified adjustment proposal, each agency concerned shall promptly—

(1) examine the aspects of the proposal relevant to its functions, and

(2) notify the Secretary of Commerce of its determination as to the technical and financial assistance it is prepared to furnish to carry out the proposal.

(c) Whenever and to the extent that any agency to which an adjustment proposal has been referred notifies the Secretary of Commerce of its determination not to furnish technical or financial assistance, and if the Secretary of Commerce determines that such assistance is necessary to carry out the adjustment proposal, he may furnish adjustment assistance under sections 313 and 314 to the firm concerned.

(d) There are hereby authorized to be appropriated to the Secretary of Commerce such sums as may be necessary from time to time to carry out his functions under this chapter in connection with furnishing adjustment assistance to firms, which sums are authorized to be appropriated to remain available until expended.

SEC. 313. TECHNICAL ASSISTANCE.

(a) Upon compliance with section 312(c), the Secretary of Commerce may provide to a firm, on such terms and conditions as he determines to be appropriate, such technical assistance as in his judgment will materially contribute to the economic adjustment of the firm.

(b) To the maximum extent practicable, the Secretary of Commerce shall furnish technical assistance under this section and section 311(c) through existing agencies, and otherwise through private individuals, firms, or institutions.

(c) The Secretary of Commerce shall require a firm receiving technical assistance under this section or section 311(c) to share the cost thereof to the extent he determines to be appropriate.

SEC. 314. FINANCIAL ASSISTANCE.

(a) Upon compliance with section 312(c), the Secretary of Commerce may provide to a firm, on such terms and conditions as he determines to be appropriate, such financial assistance in the form of guarantees of loans, agreements for deferred participations in loans, or loans, as in his judgment will materially contribute to the economic adjustment of the firm. The assumption of an outstanding indebtedness of the firm, with or without recourse, shall be considered to be the making of a loan for purposes of this section.

(b) Guarantees, agreements for deferred participations, or loans shall be made under this section only for the purpose of making funds available to the firm—

(1) for acquisition, construction, installation, modernization, development, conversion, or expansion of land, plant, buildings, equipment, facilities, or machinery, or

(2) in cases determined by the Secretary of Commerce to be exceptional, to supply working capital.

(c) To the maximum extent practicable, the Secretary of Commerce shall furnish financial assistance under this section through agencies furnishing financial assistance under other law.

SEC. 315. CONDITIONS FOR FINANCIAL ASSISTANCE.

(a) No loan shall be guaranteed and no agreement for deferred participation in a loan shall be made by the Secretary of Commerce in an amount which exceeds 90 percent of that portion of the loan made for purposes specified in section 314(b).

(b)(1) Any loan made or deferred participation taken up by the Secretary of Commerce shall bear interest at a rate not less than the greater of—

(A) 4 percent per annum, or

(B) a rate determined by the Secretary of the Treasury for the year in which the loan is made or the agreement for such deferred participation is entered into.

(2) The Secretary of the Treasury shall determine annually the rate referred to in paragraph (1)(B), taking into consideration the current average market yields on outstanding interest-bearing marketable public debt obligations of the United States of maturities comparable to those of the loans outstanding under section 314.

(c) Guarantees or agreements for deferred participation shall be made by the Secretary of Commerce only with respect to loans bearing interest at a rate which he determines to be reasonable. In no event shall the guaranteed portion of any loan, or the portion covered by an agreement for deferred participation, bear interest at a rate more than 1 percent per annum above the rate prescribed by subsection (b) (determined when the guarantee is made or the agreement is entered into), unless the Secretary of Commerce shall determine that special circumstances justify a higher rate, in which case such portion of the loan shall bear interest at a rate not more than 2 percent per annum above such prescribed rate.

(d) The Secretary of Commerce shall make no loan or guarantee having a maturity in excess of 25 years, including renewals and extensions, and shall make no agreement for deferred participation in a loan which has a maturity in excess of 25 years, including renewals and extensions. Such limitation on maturities shall not, however, apply to—

(1) securities or obligations received by the Secretary of Commerce as claimant in bankruptcy or equitable reorganization, or as creditor in other proceedings attendant upon insolvency of the obligor, or

(2) an extension or renewal for an additional period not exceeding 10 years, if the Secretary of Commerce determines that such extension or renewal is reasonably necessary for the orderly liquidation of the loan.

(e) No financial assistance shall be provided under section 314 unless the Secretary of Commerce determines that such assistance is not otherwise available to the firm, from sources other than the United States, on reasonable terms, and that there is reasonable assurance of repayment by the borrower.

(f) The Secretary of Commerce shall maintain operating reserves with respect to anticipated claims under guarantees and under agreements for deferred participation made under section 314. Such reserves shall be considered to constitute obligations for purposes of section 1311 of the Supplemental Appropriation Act, 1955 (31 U.S.C., sec. 200). 68 Stat. 830.

SEC. 316. ADMINISTRATION OF FINANCIAL ASSISTANCE.

(a) In making and administering guarantees, agreements for deferred participation, and loans under section 314, the Secretary of Commerce may—

(1) require security for any such guarantee, agreement, or loan, and enforce, waive, or subordinate such security;

(2) assign or sell at public or private sale, or otherwise dispose of, upon such terms and conditions and for such consideration as he shall determine to be reasonable, any evidence of debt, contract, claim, personal property, or security assigned to or held by him in connection with such guarantees, agreements, or loans, and col-

lect, compromise, and obtain deficiency judgments with respect to all obligations assigned to or held by him in connection with such guarantees, agreements, or loans until such time as such obligations may be referred to the Attorney General for suit or collection;

(3) renovate, improve, modernize, complete, insure, rent, sell, or otherwise deal with, upon such terms and conditions and for such consideration as he shall determine to be reasonable, any real or personal property conveyed to or otherwise acquired by him in connection with such guarantees, agreements, or loans;

(4) acquire, hold, transfer, release, or convey any real or personal property or any interest therein whenever deemed necessary or appropriate, and execute all legal documents for such purposes; and

(5) exercise all such other powers and take all such other acts as may be necessary or incidental to the carrying out of functions pursuant to section 314.

(b) Any mortgage acquired as security under subsection (a) shall be recorded under applicable State law.

SEC. 317. TAX ASSISTANCE.

(a) If—

(1) to carry out an adjustment proposal of a firm certified pursuant to section 311, such firm applies for tax assistance under this section within 24 months after the close of a taxable year and alleges in such application that it has sustained a net operating loss for such taxable year,

(2) the Secretary of Commerce determines that any such alleged loss for such taxable year arose predominantly out of the carrying on of a trade or business which was seriously injured, during such year, by the increased imports which the Tariff Commission has determined to result from concessions granted under trade agreements, and

(3) the Secretary of Commerce determines that tax assistance under this section will materially contribute to the economic adjustment of the firm,

then the Secretary of Commerce shall certify such determinations with respect to such firm for such taxable year. No determination or certification under this subsection shall constitute a determination of the existence or amount of any net operating loss for purposes of section 172 of the Internal Revenue Code of 1954.

26 USC 172; Infra.

(b) Effective with respect to net operating losses for taxable years ending after December 31, 1955, subsection (b) of section 172 of the Internal Revenue Code of 1954 (relating to net operating loss carrybacks and carryovers) is amended to read as follows:

68A Stat. 63. 72 Stat. 1678.

"(b) NET OPERATING LOSS CARRYBACKS AND CARRYOVERS.—

"(1) YEARS TO WHICH LOSS MAY BE CARRIED.—

"(A) (i) Except as provided in clause (ii), a net operating loss for any taxable year ending after December 31, 1957, shall be a net operating loss carryback to each of the 3 taxable years preceding the taxable year of such loss.

"(ii) In the case of a taxpayer with respect to a taxable year ending on or after December 31, 1962, for which a certification has been issued under section 317 of the Trade Expansion Act of 1962, a net operating loss for such taxable year shall be a net operating loss carryback to each of the 5 taxable years preceding the taxable year of such loss.

"(B) Except as provided in subparagraph (C), a net operating loss for any taxable year ending after December 31, 1955, shall be a net operating loss carryover to each of the 5 taxable years following the taxable year of such loss.

"(C) In the case of a taxpayer which is a regulated transportation corporation (as defined in subsection (j)(1)), a net operating loss for any taxable year ending after December 31, 1955, shall (except as provided in subsection (j)) be a net operating loss carryover to each of the 7 taxable years following the taxable year of such loss. 68A Stat. 172. 72 Stat. 1678.

"(2) AMOUNT OF CARRYBACKS AND CARRYOVERS.—Except as provided in subsections (i) and (j), the entire amount of the net operating loss for any taxable year (hereinafter in this section referred to as the 'loss year') shall be carried to the earliest of the taxable years to which (by reason of paragraph (1)) such loss may be carried. The portion of such loss which shall be carried to each of the other taxable years shall be the excess, if any, of the amount of such loss over the sum of the taxable income for each of the prior taxable years to which such loss may be carried. For purposes of the preceding sentence, the taxable income for any such prior taxable year shall be computed—

"(A) with the modifications specified in subsection (d) other than paragraphs (1), (4), and (6) thereof; and

"(B) by determining the amount of the net operating loss deduction without regard to the net operating loss for the loss year or for any taxable year thereafter,

and the taxable income so computed shall not be considered to be less than zero.

"(3) SPECIAL RULES.—

"(A) Paragraph (1)(A)(ii) shall apply only if—

"(i) there has been filed, at such time and in such manner as may be prescribed by the Secretary or his delegate, a notice of filing of the application under section 317 of the Trade Expansion Act of 1962 for tax assistance, and, after its issuance, a copy of the certification under such section, and

"(ii) the taxpayer consents in writing to the assessment, within such period as may be agreed upon with the Secretary or his delegate, of any deficiency for any year to the extent attributable to the disallowance of a deduction previously allowed with respect to such net operating loss, even though at the time of filing such consent the assessment of such deficiency would otherwise be prevented by the operation of any law or rule of law.

"(B) In the case of—

"(i) a partnership and its partners, or

"(ii) an electing small business corporation under subchapter S and its shareholders,

paragraph (1)(A)(ii) shall apply as determined under regulations prescribed by the Secretary or his delegate. Such paragraph shall apply to a net operating loss of a partner or such a shareholder only if it arose predominantly from losses in respect of which certifications under section 317 of the Trade Expansion Act of 1962 were filed under this section."

(c) Subsection (h) of section 6501 of the Internal Revenue Code of 1954 (relating to limitations on assessment and collection in the case of net operating loss carrybacks) is amended by inserting before the period: ", or within 18 months after the date on which the taxpayer files in accordance with section 172(b)(3) a copy of the certification (with respect to such taxable year) issued under section 317 of the Trade Expansion Act of 1962, whichever is later". 72 Stat. 1663. 26 USC 6501. Supra.

68A Stat. 808.
26 USC 6511.

(d) Section 6511(d)(2)(A) of the Internal Revenue Code of 1954 (relating to special period of limitation on credit or refund with respect to net operating loss carrybacks) is amended to read as follows:

"(A) PERIOD OF LIMITATION.—If the claim for credit or refund relates to an overpayment attributable to a net operating loss carryback, in lieu of the 3-year period of limitation prescribed in subsection (a), the period shall be that period which ends with the expiration of the 15th day of the 40th month (or the 39th month, in the case of a corporation) following the end of the taxable year of the net operating loss which results in such carryback, or the period prescribed in subsection (c) in respect of such taxable year, whichever expires later; except that—

"(i) with respect to an overpayment attributable to a net operating loss carryback to any year on account of a certification issued to the taxpayer under section 317 of the Trade Expansion Act of 1962, the period shall not expire before the expiration of the sixth month following the month in which such certification is issued to the taxpayer, and

"(ii) with respect to an overpayment attributable to the creation of, or an increase in, a net operating loss carryback as a result of the elimination of excessive profits by a renegotiation (as defined in section 1481(a)(1)(A)), the period shall not expire before September 1, 1959, or the expiration of the twelfth month following the month in which the agreement or order for the elimination of such excessive profits becomes final, whichever is the later,

68A Stat. 362.
26 USC 1481.

In the case of such a claim, the amount of the credit or refund may exceed the portion of the tax paid within the period provided in subsection (b)(2) or (c), whichever is applicable, to the extent of the amount of the overpayment attributable to such carryback."

SEC. 318. PROTECTIVE PROVISIONS.

(a) Each recipient of adjustment assistance under section 313, 314, or 317 shall keep records which fully disclose the amount and disposition by such recipient of the proceeds, if any, of such adjustment assistance, and which will facilitate an effective audit. The recipient shall also keep such other records as the Secretary of Commerce may prescribe.

(b) The Secretary of Commerce and the Comptroller General of the United States shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipient pertaining to adjustment assistance under sections 313, 314, and 317.

(c) No adjustment assistance shall be extended under section 313, 314, or 317 to any firm unless the owners, partners, or officers certify to the Secretary of Commerce—

(1) the names of any attorneys, agents, and other persons engaged by or on behalf of the firm for the purpose of expediting applications for such adjustment assistance, and

(2) the fees paid or to be paid to any such person.

(d) No financial assistance shall be provided to any firm under section 314 unless the owners, partners, or officers shall execute an agreement binding them and the firm for a period of 2 years after such financial assistance is provided, to refrain from employing, tendering any office or employment to, or retaining for professional services any person who, on the date such assistance or any part thereof was provided, or within one year prior thereto, shall have

served as an officer, attorney, agent, or employee occupying a position or engaging in activities which the Secretary of Commerce shall have determined involve discretion with respect to the provision of such financial assistance.

SEC. 319. PENALTIES.

Whoever makes a false statement of a material fact knowing it to be false, or knowingly fails to disclose a material fact, or whoever willfully overvalues any security, for the purpose of influencing in any way the action of the Secretary of Commerce under this chapter, or for the purpose of obtaining money, property, or anything of value under this chapter, shall be fined not more than $5,000 or imprisoned for not more than two years, or both.

SEC. 320. SUITS.

In providing technical and financial assistance under sections 313 and 314, the Secretary of Commerce may sue and be sued in any court of record of a State having general jurisdiction or in any United States district court, and jurisdiction is conferred upon such district court to determine such controversies without regard to the amount in controversy; but no attachment, injunction, garnishment, or other similar process, mesne or final, shall be issued against him or his property. Nothing in this section shall be construed to except the activities pursuant to sections 313 and 314 from the application of sections 507(b) and 2679 of title 28 of the United States Code, and of section 367 of the Revised Statutes (5 U.S.C., sec. 316). 62 Stat. 910, 984; 75 Stat. 539.

CHAPTER 3—ASSISTANCE TO WORKERS

SEC. 321. AUTHORITY.

The Secretary of Labor shall determine whether applicants are entitled to receive assistance under this chapter and shall pay or provide such assistance to applicants who are so entitled.

Subchapter A—Trade Readjustment Allowances

SEC. 322. QUALIFYING REQUIREMENTS.

(a) Payment of a trade readjustment allowance shall be made to an adversely affected worker who applies for such allowance for any week of unemployment which begins after the 30th day after the date of the enactment of this Act and after the date determined under section 302(d), subject to the requirements of subsections (b) and (c).

(b) Total or partial separation shall have occurred—

(1) after the date of the enactment of this Act, and after the date determined under section 302(d), and

(2) before the expiration of the 2-year period beginning on the day on which the most recent determination under section 302(d) was made, and before the termination date (if any) specified under section 302(e).

(c) Such worker shall have had—

(1) in the 156 weeks immediately preceding such total or partial separation, at least 78 weeks of employment at wages of $15 or more a week, and

(2) in the 52 weeks immediately preceding such total or partial separation, at least 26 weeks of employment at wages of $15 or more a week in a firm or firms with respect to which a determination of unemployment or underemployment under section 302 has been made, or

if data with respect to weeks of employment are not available, equivalent amounts of employment computed under regulations prescribed by the Secretary of Labor.

SEC. 323. WEEKLY AMOUNTS.

(a) Subject to the other provisions of this section, the trade readjustment allowance payable to an adversely affected worker for a week of unemployment shall be an amount equal to 65 percent of his average weekly wage or to 65 percent of the average weekly manufacturing wage, whichever is less, reduced by 50 percent of the amount of his remuneration for services performed during such week.

(b) Any adversely affected worker who is entitled to trade readjustment allowances and who is undergoing training approved by the Secretary of Labor, including on-the-job training, shall receive for each week in which he is undergoing any such training, a trade readjustment allowance in an amount (computed for such week) equal to the amount computed under subsection (a) or (if greater) the amount of any weekly allowance for such training to which he would be entitled under any other Federal law for the training of workers, if he applied for such allowance. Such trade readjustment allowance shall be paid in lieu of any training allowance to which the worker would be entitled under such other Federal law.

(c) The amount of trade readjustment allowance payable to an adversely affected worker under subsection (a) or (b) for any week shall be reduced by any amount of unemployment insurance which he has received or is seeking with respect to such week; but, if the appropriate State or Federal agency finally determines that the worker was not entitled to unemployment insurance with respect to such week, the reduction shall not apply with respect to such week.

Ante, p. 23.
75 Stat. 47.
42 USC 2501 note.
Infra.

(d) If unemployment insurance, or a training allowance under the Manpower Development and Training Act of 1962 or the Area Redevelopment Act, is paid to an adversely affected worker for any week of unemployment with respect to which he would be entitled (determined without regard to subsection (c) or (e) or to any disqualification under section 327) to a trade readjustment allowance if he applied for such allowance, each such week shall be deducted from the total number of weeks of trade readjustment allowance otherwise payable to him under section 324(a) when he applies for a trade readjustment allowance and is determined to be entitled to such allowance. If the unemployment insurance or the training allowance paid to such worker for any week of unemployment is less than the amount of the trade readjustment allowance to which he would be entitled if he applied for such allowance, he shall receive, when he applies for a trade readjustment allowance and is determined to be entitled to such allowance, a trade readjustment allowance for such week equal to such difference.

(e) Whenever, with respect to any week of unemployment, the total amount payable to an adversely affected worker as remuneration for services performed during such week, as unemployment insurance, as a training allowance referred to in subsection (d), and as a trade readjustment allowance would exceed 75 percent of his average weekly wage, his trade readjustment allowance for such week shall be reduced by the amount of such excess.

(f) The amount of any weekly payment to be made under this section which is not a whole dollar amount shall be rounded upward to the next higher whole dollar amount.

(g) (1) If unemployment insurances is paid under a State law to an adversely affected worker for a week for which—

(A) he receives a trade readjustment allowance, or

(B) he makes application for a trade readjustment allowance and would be entitled (determined without regard to subsection (c) or (e)) to receive such allowance,

the State agency making such payment shall, unless it has been reimbursed for such payment under other Federal law, be reimbursed from funds appropriated pursuant to section 337, to the extent such payment does not exceed the amount of the trade readjustment allowance which such worker would have received, or would have been entitled to receive, as the case may be, if he had not received the State payment. The amount of such reimbursement shall be determined by the Secretary of Labor on the basis of reports furnished to him by the State agency.

(2) In any case in which a State agency is reimbursed under paragraph (1) for payments of unemployment insurance made to an adversely affected worker, such payments, and the period of unemployment of such worker for which such payments were made, may be disregarded under the State law (and for purposes of applying section 3303 of the Internal Revenue Code of 1954) in determining whether or not an employer is entitled to a reduced rate of contributions permitted by the State law. 68A Stat. 440. 26 USC 3303.

SEC. 324. TIME LIMITATIONS ON TRADE READJUSTMENT ALLOWANCES.

(a) Payment of trade readjustment allowances shall not be made to an adversely affected worker for more than 52 weeks, except that, in accordance with regulations prescribed by the Secretary of Labor—

(1) such payments may be made for not more than 26 additional weeks to an adversely affected worker to assist him to complete training approved by the Secretary of Labor, or

(2) such payments shall be made for not more than 13 additional weeks to an adversely affected worker who had reached his 60th birthday on or before the date of total or partial separation.

(b) Except for a payment made for an additional week specified in subsection (a), a trade readjustment allowance shall not be paid for a week of unemployment beginning more than 2 years after the beginning of the appropriate week. A trade readjustment allowance shall not be paid for any additional week specified in subsection (a) if such week begins more than 3 years after the beginning of the appropriate week. The appropriate week for a totally separated worker is the week of his most recent total separation. The appropriate week for a partially separated worker is the week in respect of which he first receives a trade readjustment allowance following his most recent partial separation.

SEC. 325. APPLICATION OF STATE LAWS.

Except where inconsistent with the provisions of this chapter and subject to such regulations as the Secretary of Labor may prescribe, the availability and disqualification provisions of the State law—

(1) under which an adversely affected worker is entitled to unemployment insurance (whether or not he has filed a claim for such insurance), or

(2) if he is not so entitled to unemployment insurance, of the State in which he was totally or partially separated,

shall apply to any such worker who files a claim for trade readjustment allowances. The State law so determined with respect to a separation of a worker shall remain applicable, for purposes of the preceding sentence, with respect to such separation until such worker becomes entitled to unemployment insurance under another State law (whether or not he has filed a claim for such insurance).

Subchapter B—Training

SEC. 326. IN GENERAL.

(a) To assure that the readjustment of adversely affected workers shall occur as quickly and effectively as possible, with minimum reliance upon trade readjustment allowances under this chapter, every effort shall be made to prepare each such worker for full employment in accordance with his capabilities and prospective employment opportunities. To this end, and subject to this chapter, adversely affected workers shall be afforded, where appropriate, the testing, counseling, training, and placement services provided for under any Federal law. Such workers may also be afforded supplemental assistance necessary to defray transportation and subsistence expenses for separate maintenance when such training is provided in facilities which are not within commuting distance of their regular place of residence. The Secretary of Labor in defraying such subsistence expenses shall not afford any individual an allowance exceeding $5 a day; nor shall the Secretary authorize any transportation expense exceeding the rate of 10 cents per mile.

(b) To the extent practicable, before adversely affected workers are referred to training, the Secretary of Labor shall consult with such workers' firm and their certified or recognized union or other duly authorized representative and develop a worker retraining plan which provides for training such workers to meet the manpower needs of such firm, in order to preserve or restore the employment relationship between the workers and the firm.

SEC. 327. DISQUALIFICATION FOR REFUSAL OF TRAINING, ETC.

Any adversely affected worker who, without good cause, refuses to accept or continue, or fails to make satisfactory progress in, suitable training to which he has been referred by the Secretary of Labor shall not thereafter be entitled to trade readjustment allowances until he enters or resumes training to which he has been so referred.

Subchapter C—Relocation Allowances

SEC. 328. RELOCATION ALLOWANCES AFFORDED.

Any adversely affected worker who is the head of a family as defined in regulations prescribed by the Secretary of Labor and who has been totally separated may file an application for a relocation allowance, subject to the terms and conditions of this subchapter.

SEC. 329. QUALIFYING REQUIREMENTS.

(a) A relocation allowance may be granted only to assist an adversely affected worker in relocating within the United States and only if the Secretary of Labor determines that such worker cannot reasonably be expected to secure suitable employment in the commuting area in which he resides and that such worker—

(1) has obtained suitable employment affording a reasonable expectation of long-term duration in the area in which he wishes to relocate, or

(2) has obtained a bona fide offer of such employment.

(b) A relocation allowance shall not be granted to such worker unless—

(1) for the week in which the application for such allowance is filed, he is entitled (determined without regard to section 323 (c) and (e)) to a trade readjustment allowance or would be so entitled (determined without regard to whether he filed application therefor) but for the fact that he has obtained the employment referred to in subsection (a)(1), and

(2) such relocation occurs within a reasonable period after the filing of such application or (in the case of a worker who has been referred to training by the Secretary of Labor) within a reasonable period after the conclusion of such training.

SEC. 330. RELOCATION ALLOWANCE DEFINED.

For purposes of this subchapter, the term "relocation allowance" means— "Relocation allowance."

(1) the reasonable and necessary expenses, as specified in regulations prescribed by the Secretary of Labor, incurred in transporting a worker and his family and their household effects, and

(2) a lump sum equivalent to two and one-half times the average weekly manufacturing wage.

Subchapter D—General Provisions

SEC. 331. AGREEMENTS WITH STATES.

(a) The Secretary of Labor is authorized on behalf of the United States to enter into an agreement with any State, or with any State agency. Under such an agreement, the State agency (1) as agent of the United States, will receive applications for, and will provide, assistance on the basis provided in this chapter, (2) where appropriate, will afford adversely affected workers who apply for assistance under this chapter testing, counseling, referral to training, and placement services, and (3) will otherwise cooperate with the Secretary of Labor and with other State and Federal agencies in providing assistance under this chapter.

(b) Each agreement under this subchapter shall provide the terms and conditions upon which the agreement may be amended, suspended, or terminated.

(c) Each agreement under this subchapter shall provide that unemployment insurance otherwise payable to any adversely affected worker will not be denied or reduced for any week by reason of any right to allowances under this chapter.

SEC. 332. PAYMENTS TO STATES.

(a) The Secretary of Labor shall from time to time certify to the Secretary of the Treasury for payment to each State which has entered into an agreement under section 331(1) the sums necessary to enable such State as agent of the United States to make payments of allowances provided for by this chapter, and (2) the sums reimbursable to a State pursuant to section 323(g). The Secretary of the Treasury, prior to audit or settlement by the General Accounting Office, shall make payment to the State in accordance with such certification, from the funds for carrying out the purposes of this chapter. Sums reimbursable to a State pursuant to section 323(g) shall be credited to the account of such State in the Unemployment Trust Fund and shall be used only for the payment of cash benefits to individuals with respect to their unemployment, exclusive of expenses of administration.

(b) All money paid a State under this section shall be used solely for the purposes for which it is paid; and any money so paid which is not used for such purposes shall be returned, at the time specified in the agreement under this subchapter, to the Treasury and credited to current applicable appropriations, funds, or accounts from which payments to States under this section may be made.

(c) Any agreement under this subchapter may require any officer or employee of the State certifying payments or disbursing funds under the agreement, or otherwise participating in the performance of the agreement, to give a surety bond to the United States in such amount as the Secretary of Labor may deem necessary, and may provide for the payment of the cost of such bond from funds for carrying out the purposes of this chapter.

SEC. 333. LIABILITIES OF CERTIFYING AND DISBURSING OFFICERS.

(a) No person designated by the Secretary of Labor, or designated pursuant to an agreement under this subchapter, as a certifying officer, shall, in the absence of gross negligence or intent to defraud the United States, be liable with respect to the payment of any allowance certified by him under this chapter.

(b) No disbursing officer shall, in the absence of gross negligence or intent to defraud the United States, be liable with respect to any payment by him under this chapter if it was based upon a voucher signed by a certifying officer designated as provided in subsection (a).

SEC. 334. RECOVERY OF OVERPAYMENTS.

(a) If a State agency or the Secretary of Labor, or a court of competent jurisdiction finds that any person—

(1) has made, or has caused to be made by another, a false statement or representation of a material fact knowing it to be false, or has knowingly failed or caused another to fail to disclose a material fact; and

(2) as a result of such action has received any payment of allowances under this chapter to which he was not entitled,

such person shall be liable to repay such amount to the State agency or the Secretary of Labor, as the case may be, or either may recover such amount by deductions from any allowance payable to such person under this chapter. Any such finding by a State agency or the Secretary of Labor may be made only after an opportunity for a fair hearing.

(b) Any amount repaid to a State agency under this section shall be deposited into the fund from which payment was made. Any amount repaid to the Secretary of Labor under this section shall be returned to the Treasury and credited to the current applicable appropriation, fund, or account from which payment was made.

SEC. 335. PENALTIES.

Whoever makes a false statement of a material fact knowing it to be false, or knowingly fails to disclose a material fact, for the purpose of obtaining or increasing for himself or for any other person any payment or assistance authorized to be furnished under this chapter or pursuant to an agreement under section 331 shall be fined not more than $1,000 or imprisoned for not more than one year, or both.

SEC. 336. REVIEW.

Except as may be provided in regulations prescribed by the Secretary of Labor to carry out his functions under this chapter, determinations under this chapter as to the entitlement of individuals for adjustment assistance shall be final and conclusive for all purposes and not subject to review by any court or any other officer. To the maximum extent practicable and consistent with the purposes of this chapter, such regulations shall provide that such determinations by a State agency will be subject to review in the same manner and to the same extent as determinations under the State law.

SEC. 337. AUTHORIZATION OF APPROPRIATIONS.

There are hereby authorized to be appropriated to the Secretary of Labor such sums as may be necessary from time to time to carry out his functions under this chapter in connection with furnishing adjustment assistance to workers, which sums are authorized to be appropriated to remain available until expended.

SEC. 338. DEFINITIONS.

For purposes of this chapter—

(1) The term "adversely affected employment" means employment in a firm or appropriate subdivision of a firm, if workers of such firm or subdivision are eligible to apply for adjustment assistance under this chapter.

(2) The term "adversely affected worker" means an individual who, because of lack of work in an adversely affected employment—

(A) has been totally or partially separated from such employment, or

(B) has been totally separated from employment with the firm in a subdivision of which such adversely affected employment exists.

(3) The term "average weekly manufacturing wage" means the national gross average weekly earnings of production workers in manufacturing industries for the latest calendar year (as officially published annually by the Bureau of Labor Statistics of the Department of Labor) most recently published before the period for which the assistance under this chapter is furnished.

(4) The term "average weekly wage" means one-13th of the total wages paid to an individual in the high quarter. For purposes of this computation, the high quarter shall be that quarter in which the individual's total wages were highest among the first 4 of the last 5 completed calendar quarters immediately before the quarter in which occurs the week with respect to which the computation is made. Such week shall be the week in which total separation occurred, or, in cases where partial separation is claimed, an appropriate week, as defined in regulations prescribed by the Secretary of Labor.

(5) The term "average weekly hours" means the average hours worked by the individual (excluding overtime) in the employment from which he has been or claims to have been separated in the 52 weeks (excluding weeks during which the individual was sick or on vacation) preceding the week specified in the last sentence of paragraph (4).

(6) The term "partial separation" means, with respect to an individual who has not been totally separated, that he has had his hours of work reduced to 80 percent or less of his average weekly hours in adversely affected employment and his wages reduced to 75 percent or less of his average weekly wage in such adversely affected employment.

(7) The term "remuneration" means wages and net earnings derived from services performed as a self-employed individual.

(8) The term "State" includes the District of Columbia and the Commonwealth of Puerto Rico; and the term "United States" when used in the geographical sense includes such Commonwealth.

(9) The term "State agency" means the agency of the State which administers the State law.

(10) The term "State law" means the unemployment insurance law of the State approved by the Secretary of Labor under section 3304 of the Internal Revenue Code of 1954. 68A Stat. 443. 26 USC 3304.

(11) The term "total separation" means the layoff or severance of an individual from employment with a firm in which, or in a subdivision of which, adversely affected employment exists.

(12) The term "unemployment insurance" means the unemployment insurance payable to an individual under any State law or Federal unemployment insurance law, including title XV of the Social Security Act, the Railroad Unemployment Insurance Act, and the Temporary Extended Unemployment Compensation Act of 1961. 42 USC 1361-1371; 45 USC 367; 42 USC 1400l note.

(13) The term "week" means a week as defined in the applicable State law.

(14) The term "week of unemployment" means with respect to an individual any week for which his remuneration for services performed during such week is less than 75 percent of his average weekly wage and in which, because of lack of work—

(A) if he has been totally separated, he worked less than the full-time week (excluding overtime) in his current occupation, or

(B) if he has been partially separated, he worked 80 percent or less of his average weekly hours.

CHAPTER 4—TARIFF ADJUSTMENT

SEC. 351. AUTHORITY.

(a)(1) After receiving an affirmative finding of the Tariff Commission under section 301(b) with respect to an industry, the President may proclaim such increase in, or imposition of, any duty or other import restriction on the article causing or threatening to cause serious injury to such industry as he determines to be necessary to prevent or remedy serious injury to such industry.

(2) If the President does not, within 60 days after the date on which he receives such affirmative finding, proclaim the increase in, or imposition of, any duty or other import restriction on such article found and reported by the Tariff Commission pursuant to section 301(e)—

Presidential report to Congress.

(A) he shall immediately submit a report to the House of Representatives and to the Senate stating why he has not proclaimed such increase or imposition, and

(B) such increase or imposition shall take effect (as provided in paragraph (3)) upon the adoption by both Houses of the Congress (within the 60-day period following the date on which the report referred to in subparagraph (A) is submitted to the House of Representatives and the Senate), by the yeas and nays by the affirmative vote of a majority of the authorized membership of each House, of a concurrent resolution stating in effect that the Senate and House of Representatives approve the increase in, or imposition of, any duty or other import restriction on the article found and reported by the Tariff Commission.

For purposes of subparagraph (B), in the computation of the 60-day period there shall be excluded the days on which either House is not in session because of adjournment of more than 3 days to a day certain or an adjournment of the Congress sine die. The report referred to in subparagraph (A) shall be delivered to both Houses of the Congress on the same day and shall be delivered to the Clerk of the House of Representatives if the House of Representatives is not in session and to the Secretary of the Senate if the Senate is not in session.

(3) In any case in which the contingency set forth in paragraph (2)(B) occurs, the President shall (within 15 days after the adoption of such resolution) proclaim the increase in, or imposition of, any duty or other import restriction on the article which was found and reported by the Tariff Commission pursuant to section 301(e).

(4) The President may, within 60 days after the date on which he receives an affirmative finding of the Tariff Commission under section 301(b) with respect to an industry, request additional information from the Tariff Commission. The Tariff Commission shall, as soon as practicable but in no event more than 120 days after the date on which it receives the President's request, furnish additional information with respect to such industry in a supplemental report. For purposes of paragraph (2), the date on which the President receives such supplemental report shall be treated as the date on which the Presi-

dent received the affirmative finding of the Tariff Commission with respect to such industry.

(b) No proclamation pursuant to subsection (a) shall be made—

(1) increasing any rate of duty to a rate more than 50 percent above the rate existing on July 1, 1934, or, if the article is dutiable but no rate existed on July 1, 1934, the rate existing at the time of the proclamation,

(2) in the case of an article not subject to duty, imposing a duty in excess of 50 percent ad valorem.

For purposes of paragraph (1), the term "existing on July 1, 1934" has the meaning assigned to such term by paragraph (5) of section 256.

(c)(1) Any increase in, or imposition of, any duty or other import restriction proclaimed pursuant to this section or section 7 of the Trade Agreements Extension Act of 1951— Ante, p. 882. 19 USC 1364.

(A) may be reduced or terminated by the President when he determines, after taking into account the advice received from the Tariff Commission under subsection (d)(2) and after seeking advice of the Secretary of Commerce and the Secretary of Labor, that such reduction or termination is in the national interest, and

(B) unless extended under paragraph (2), shall terminate not later than the close of the date which is 4 years (or, in the case of any such increase or imposition proclaimed pursuant to such section 7, 5 years) after the effective date of the initial proclamation or the date of the enactment of this Act, whichever date is the later.

(2) Any increase in, or imposition of, any duty or other import restriction proclaimed pursuant to this section or pursuant to section 7 of the Trade Agreements Extension Act of 1951 may be extended in whole or in part by the President for such periods (not in excess of 4 years at any one time) as he may designate if he determines, after taking into account the advice received from the Tariff Commission under subsection (d)(3) and after seeking advice of the Secretary of Commerce and the Secretary of Labor, that such extension is in the national interest.

(d)(1) So long as any increase in, or imposition of, any duty or other import restriction pursuant to this section or pursuant to section 7 of the Trade Agreements Extension Act of 1951 remains in effect, the Tariff Commission shall keep under review developments with respect to the industry concerned, and shall make annual reports to the President concerning such developments.

(2) Upon request of the President or upon its own motion, the Tariff Commission shall advise the President of its judgment as to the probable economic effect on the industry concerned of the reduction or termination of the increase in, or imposition of, any duty or other import restriction pursuant to this section or section 7 of the Trade Agreements Extension Act of 1951.

(3) Upon petition on behalf of the industry concerned, filed with the Tariff Commission not earlier than the date which is 9 months, and not later than the date which is 6 months, before the date any increase or imposition referred to in paragraph (1) or (2) of subsection (c) is to terminate by reason of the expiration of the applicable period prescribed in paragraph (1) or an extension thereof under paragraph (2), the Tariff Commission shall advise the President of its judgment as to the probable economic effect on such industry of such termination.

(4) In advising the President under this subsection as to the probable economic effect on the industry concerned, the Tariff Commission shall take into account all economic factors which it considers

relevant, including idling of productive facilities, inability to operate at a level of reasonable profit, and unemployment or underemployment.

(5) Advice by the Tariff Commission under this subsection shall be given on the basis of an investigation during the course of which the Tariff Commission shall hold a hearing at which interested persons shall be given a reasonable opportunity to be present, to produce evidence, and to be heard.

(e) The President, as soon as practicable, shall take such action as he determines to be necessary to bring trade agreements entered into under section 350 of the Tariff Act of 1930 into conformity with the provisions of this section. No trade agreement shall be entered into under section 201(a) unless such agreement permits action in conformity with the provisions of this section.

48 Stat. 943; Ante, pp. 881-883. 19 USC 1351.

SEC. 352. ORDERLY MARKETING AGREEMENTS.

(a) After receiving an affirmative finding of the Tariff Commission under section 301(b) with respect to an industry, the President may, in lieu of exercising the authority contained in section 351(a)(1) but subject to the provisions of sections 351(a) (2), (3), and (4), negotiate international agreements with foreign countries limiting the export from such countries and the import into the United States of the article causing or threatening to cause serious injury to such industry, whenever he determines that such action would be more appropriate to prevent or remedy serious injury to such industry than action under section 351(a)(1).

Regulations.

(b) In order to carry out an agreement concluded under subsection (a), the President is authorized to issue regulations governing the entry or withdrawal from warehouse of the article covered by such agreement. In addition, in order to carry out a multilateral agreement concluded under subsection (a) among countries accounting for a significant part of world trade in the article covered by such agreement, the President is also authorized to issue regulations governing the entry or withdrawal from warehouse of the like article which is the product of countries not parties to such agreement.

CHAPTER 5—ADVISORY BOARD

SEC. 361. ADJUSTMENT ASSISTANCE ADVISORY BOARD.

(a) There is hereby created the Adjustment Assistance Advisory Board, which shall consist of the Secretary of Commerce, as Chairman, and the Secretaries of the Treasury, Agriculture, Labor, Interior, and Health, Education, and Welfare, the Administrator of the Small Business Administration, and such other officers as the President deems appropriate. Each member of the Board may designate an officer of his agency to act for him as a member of the Board. The Chairman may from time to time invite the participation of officers of other agencies of the executive branch.

(b) At the request of the President, the Board shall advise him and the agencies furnishing adjustment assistance pursuant to chapters 2 and 3 on the development of coordinated programs for such assistance, giving full consideration to ways of preserving and restoring the employment relationship of firms and workers where possible, consistent with sound economic adjustment.

(c) The Chairman may appoint for any industry an industry committee composed of members representing employers, workers, and the public, for the purpose of advising the Board. Members of any such committee shall, while attending meetings, be entitled to receive compensation and reimbursement as provided in section 401(3). The provisions of section 1003 of the National Defense Education Act of 1958 (20 U.S.C. 583) shall apply to members of such committee.

Conflict of interest, exemption. 72 Stat. 1603.

TITLE IV—GENERAL PROVISIONS

SEC. 401. AUTHORITIES.

The head of any agency performing functions under this Act may—

(1) authorize the head of any other agency to perform any of such functions;

(2) prescribe such rules and regulations as may be necessary to perform such functions; and

(3) to the extent necessary to perform such functions, procure the temporary (not in excess of one year) or intermittent services of experts or consultants or organizations thereof, including stenographic reporting services, by contract or appointment, and in such cases such services shall be without regard to the civil service and classification laws, and, except in the case of stenographic reporting services by organizations, without regard to section 3709 of the Revised Statutes (41 U.S.C. 5). Any individual so employed may be compensated at a rate not in excess of $75 per diem, and, while such individual is away from his home or regular place of business, he may be allowed transportation and not to exceed $16 per diem in lieu of subsistence and other expenses.

SEC. 402. REPORTS.

(a) The President shall submit to the Congress an annual report on the trade agreements program and on tariff adjustment and other adjustment assistance under this Act. Such report shall include information regarding new negotiations, changes made in duties and other import restrictions of the United States, reciprocal concessions obtained, changes in trade agreements in order to effectuate more fully the purposes of the trade agreements program (including the incorporation therein of escape clauses), the results of action taken to obtain removal of foreign trade restrictions (including discriminatory restrictions) against United States exports, remaining restrictions, and the measures available to seek their removal in accordance with the purposes of this Act, and other information relating to the trade agreements program and to the agreements entered into thereunder.

(b) The Tariff Commission shall submit to the Congress, at least once a year, a factual report on the operation of the trade agreements program.

SEC. 403. TARIFF COMMISSION.

(a) In order to expedite the performance of its functions under this Act, the Tariff Commission may conduct preliminary investigations, determine the scope and manner of its proceedings, and consolidate proceedings before it.

(b) In performing its functions under this Act, the Tariff Commission may exercise any authority granted to it under any other Act.

(c) The Tariff Commission shall at all times keep informed concerning the operation and effect of provisions relating to duties or other import restrictions of the United States contained in trade agreements entered into under the trade agreements program.

SEC. 404. SEPARABILITY.

If any provision of this Act or the application of any provision to any circumstances or persons shall be held invalid, the validity of the remainder of this Act, and of the application of such provision to other circumstances or persons, shall not be affected thereby.

SEC. 405. DEFINITIONS.

For purposes of this Act—

(1) The term "agency" includes any agency, department, board, wholly or partly owned corporation, instrumentality, commission, or establishment of the United States.

(2) The term "duty or other import restriction" includes (A) the rate and form of an import duty, and (B) a limitation, prohibition, charge, and exaction other than duty, imposed on importation or imposed for the regulation of imports.

(3) The term "firm" includes an individual proprietorship, partnership, joint venture, association, corporation (including a development corporation), business trust, cooperative, trustees in bankruptcy, and receivers under decree of any court. A firm, together with any predecessor, successor, or affiliated firm controlled or substantially beneficially owned by substantially the same persons, may be considered a single firm where necessary to prevent unjustifiable benefits.

(4) An imported article is "directly competitive with" a domestic article at an earlier or later stage of processing, and a domestic article is "directly competitive with" an imported article at an earlier or later stage of processing, if the importation of the imported article has an economic effect on producers of the domestic article comparable to the effect of importation of articles in the same stage of processing as the domestic article. For purposes of this paragraph, the unprocessed article is at an earlier stage of processing.

(5) A product of a country or area is an article which is the growth, produce, or manufacture of such country or area.

(6) The term "modification", as applied to any duty or other import restriction, includes the elimination of any duty.

Approved October 11, 1962, 12:15 p.m.

FOR IMMEDIATE RELEASE, OCTOBER 11, 1962

OFFICE OF THE WHITE HOUSE PRESS SECRETARY

THE WHITE HOUSE

REMARKS OF THE PRESIDENT
UPON THE SIGNING OF H.R. 11970
THE TRADE EXPANSION ACT OF 1962
IN THE FISH ROOM

Today I am signing H. R. 11970, the Trade Expansion Act of 1962.

This is the most important international piece of legislation, I think, affecting economics since the passage of the Marshall Plan. It marks a decisive point for the future of our economy, for our relations with our friends and allies, and for the prospects of free institutions and free societies everywhere.

This Act recognizes, fully and completely, that we cannot protect our economy by stagnating behind tariff walls, but that the best protection possible is a mutual lowering of tariff barriers among friendly nations so that all may benefit from a free flow of goods. Increased economic activity resulting from increased trade will provide more job opportunities for our workers. Our industry, our agriculture, our mining will benefit from increased export opportunities as other nations agree to lower their tariffs. Increased exports and imports will benefit our ports, steamship lines, and air lines as they handle an increased amount of trade. Lowering of our tariffs will provide an increased flow of goods for our American consumers. Our industries will be stimulated by increased export opportunities and by freer competition with the industries of other nations for an even greater effort to develop an efficient, economic and productive system. The results can bring a dynamic new era of growth.

By means of agreements authorized by the Act, we can move forward to partnership with the nations of the Atlantic Community. Together with the Common Market, we account for 90 percent of the free world's trade in industrial products. Together we make up--and I think this is most important in this vital period--the greatest aggregation of economic power in the history of the world. We now have the means to make certain that we build our strength together and that we can maintain this preeminence.

We shall also use the authority of the Act to negotiate with our other great trading partners, Canada and Japan, and with the countries of Latin America, Asia and Africa--and we are particularly concerned that the countries of Latin America shall have an opportunity to participate in this period of economic growth particularly as it affects the Common Market as well as our own United States. We will use the specific authorities designed to widen markets for the raw materials and manufactures of the less developed nations whose economic growth is so important to us all and to strengthen our efforts to end discriminatory and preferential arrangements which in the long run can only make everyone poorer and the free world less united.

(MORE)

(OVER)

A vital expanding economy in the free world is a strong counter to the threat of the world communist movement. This Act is, therefore, an important new weapon to advance the cause of freedom.

I want to express my strong appreciation to the members of the Congress who were so greatly involved in the passage of this bill--Chairman Mills and members of the House Ways and Means Committee who reported it to the Floor, and the members of the House of Representatives who passed it; Senator Byrd and the members of the Senate Finance Committee; Senator Kerr and others who participated in the passage of this legislation; the leadership of the House and Senate and all those on both sides who made this legislation possible; citizens groups, Mr. Petersen, Mr. Gilbert, and the labor organizations, Mr. George Meany, who is here today, who was of great importance to the passage of this bill which if administered as it must be and will be directly from the White House, with the cooperation of the Departments of State, Commerce, Agriculture, Labor can mean so much to this country.

END

87TH CONGRESS
2D SESSION

H. R. 11970

IN THE SENATE OF THE UNITED STATES

AUGUST 2, 1962

Referred to the Committee on Finance and ordered to be printed

AMENDMENTS

Intended to be proposed by Mr. BUSH (for himself, Mr. ALLOTT, Mr. BENNETT, Mr. CAPEHART, Mr. HICKEY, Mr. SALTONSTALL, Mr. THURMOND, and Mr. TOWER) to the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes, viz:

On page 2, line 20, strike out "any of the" and insert in lieu thereof "the first purpose together with any of the other".

On page 3, strike out lines 14 through 20.

On page 4, line 6, before the period insert the following: ", and that the United States accounted for 25 percent or more of such value".

On page 4, line 19, before the period insert ", and modifications thereof".

On page 4, beginning with "Such" in line 22, strike out all through line 2, on page 5, and insert in lieu thereof the following: "Such modification by the Tariff Commission shall be made (i) for the purpose of correction in which event it must be made before the date on which the first list of articles specifying this section is furnished by the President to the Tariff Commission pursuant to section 221), or (ii) for the purpose of excluding articles on which the Commission finds in its investigation under section 221 (b) that a reduction in duties below the limit specified in section 201 (b) (1) would cause or threaten serious injury to the domestic industry, sector of agriculture, or workers producing like or directly competitive articles."

On page 5, line 18, strike out "in use" and insert in lieu thereof "made public".

On page 5, line 22, strike out "and".

On page 6, line 2, strike out the period and insert in lieu thereof ", and".

On page 6, between lines 2 and 3, insert the following:

"(iii) for which payment is not made nor undertaken to be made in the currency of the exporting nation on a commercial basis."

On page 6, line 14, strike out the period and insert in lieu thereof the following: ", and make them public."

On page 6, line 18, strike out the period and substitute in lieu thereof the following: ", or to any article as to which the Tariff Commission finds in its investigation under section 221 (b) that a reduction in duties below the limit specified in section 201 (b) (1) would cause or threaten serious injury to the domestic industry, sector of agriculture, or workers producing like or directly competitive articles."

On page 7, line 11, strike out "and".

On page 7, between lines 11 and 12, insert the following:

"(3) such article is not directly competitive with an article produced in significant quantities in the United States; and".

On page 7, line 12, strike out "(3)" and insert "(4)".

On page 8, line 12, strike out "and".

On page 8, line 14, after the comma insert "and".

On page 8, between lines 14 and 15, insert the following:

"(3) whether or not such article is directly competitive with an article produced in significant quantity in the United States,".

On page 9, strike out lines 5 through 11, and insert in lieu thereof the following:

"(b) (1) Upon receipt of such list, the Commission shall make an investigation and report to the President its findings with respect to each such article as to—

"(A) the limit to which such modification or continuance may be extended without causing or threatening serious injury to the domestic industry, sector of agriculture, or workers producing like or directly competitive articles; and

"(B) if increases in duties or additional import restrictions are required to avoid serious injury to the domestic industry, sector of agriculture, or workers producing like or directly competitive articles, the minimum increases in duties or additional import restrictions required.

Such report shall be made by the Commission to the President not later than six months after the receipt of such a list by the Commission.

"(2) If in the course of any such investigation the Commission shall determine that a modification of duties or other import restrictions, or the continuance of existing customs or excise treatment, applicable to any imported article would likely result in (A) a significant decline in the share of the domestic market supplied by domestic products in relation

to a representative base period (taking into account a decline in order bookings of domestic industries producing articles requiring a long leadtime in production), and (B) either—

"(i) a significant decline in the net earnings of the domestic industry producing such products, or

"(ii) a decline in employment, a loss of wages due to shortened work periods, or a decline in wage rates in such domestic industry,

the Commission shall make a finding that such modification of duties and other import restrictions, or continuance of existing customs or excise treatment, cannot be made without causing or threatening serious injury to the domestic industry producing like or directly competitive articles.

"(3) In the course of any investigation pursuant to this section the Commission shall hold hearings and give reasonable public notice thereof, and shall afford reasonable opportunity for parties interested to be present, to produce evidence, and to be heard at such hearings."

On page 10, line 9, after "for" insert ", or grant a concession consisting of,".

On page 10, line 23, strike out "or 351".

On page 11, beginning with the word "During" in line 9, strike out all through line 10 and insert in lieu thereof the following: "The President shall also reserve".

On page 12, line 9, strike out "advice" and insert in lieu thereof "findings".

On page 12, between lines 11 and 12, insert the following:

"SEC. 226. ESSENTIAL CONDITIONS FOR GRANTING CONCESSIONS.

"(a) The President shall not proclaim any modification of existing duties or other import restrictions, or a continuance of existing customs or excise treatment of any article covered by a trade agreement entered into under this Act, unless he finds as a fact that the countries of the European Economic Community which are parties to such agreement and would by the terms of such agreement receive the benefit of such modifications or continuance have, except as otherwise permitted by the terms of such agreement, committed themselves to admit like articles exported from the United States on terms and conditions no less favorable than those which would be applicable to their exports of such articles when imported into the United States if the President were to proclaim the modification or continuance provided for in such foreign trade agreement.

"(b) In the course of negotiating a trade agreement, the President shall not make an offer, or grant in whole or in part a request, for the modification or continuance of duty-free or excise treatment with respect to any article, unless the

country or instrumentality to which such offer is made, or which requests the modification or continuance, is the principal supplier of such article in world export trade (not including the exports of the United States) as shown by the value of the exports of such article by such country or instrumentality in relation to the total world export value of such article (excluding the value of United States exports) during the most recent two-year period preceding the negotiations for which data is available.

"(c) The President shall not proclaim any modification of existing duties or other import restrictions, or a continuance of existing customs or excise treatment of any article covered by a trade agreement, unless he finds as a fact that the foreign countries which are parties to such agreement and would by the terms of such agreement receive the benefit of such modification or continuance have committed themselves to admit like articles exported from countries other than the United States and other than those countries referred to in section 231 free from quantitative and other nontariff restrictions and subject to duties and other charges no greater than those which would be applicable to such articles when imported into the United States if the President were to proclaim the modification or continuance provided for in such trade agreement."

On page 12, line 12, strike out "226" and insert in lieu thereof "227".

On page 12, strike out lines 15 through 18 and substitute in lieu thereof the following: "this title, together with a statement accurately identifying any article with respect to which the limits or minimum requirements found and reported by the Tariff Commission under sections 221 (b) and 408 (c) are not complied with, and stating his reasons for the action taken with respect to each such article."

On page 16, line 14, strike out "and chapter 4 of title III".

On page 16, lines 15 and 16, strike out the words "a Cabinet officer selected by the President", and insert in lieu thereof "the Secretary of Commerce".

On page 17, line 10, strike out "unjustifiable".

On page 18, between lines 13 and 14, insert the following:

"SEC. 244. PARTICIPATION BY INDUSTRY, AGRICULTURE, AND LABOR IN NEGOTIATIONS.

"It is hereby declared to be the sense of the Congress that the President, during the course of negotiating any trade agreement, should seek information and advice with respect to each distinct and homogenous grouping of articles which is the subject of negotiations from the representatives

of the domestic industry, agricultural sector, and labor producing the like or directly competitive articles."

On page 18, line 23, strike out "unjustifiable".

On page 19, line 14, strike out "unlimited".

On page 19, line 19, strike out "unjustifiably".

On page 19, lines 20 and 21, strike out ", to the extent that such action is consistent with the purposes of section 102".

On page 20, line 5, strike out "unjustifiable".

On page 22, between lines 14 and 15, insert the following:

"(c) The President shall, at the end of the period specified in any trade agreement, terminate, by appropriate modification of the proclamation which made it effective, any concession granted by the United States to the European Economic Community under the authority of section 211, if he determines, under the criteria of that section, with reference to the most recent two-year period for which data is available, either (1) that the United States exports did not account for at least 25 percent of the aggregated world export value of the articles in the category covered by the concession, or (2) that the United States and the European

Economic Community together did not account for 80 percent or more of such value during such period.

"(d) Whenever any foreign country, party to a trade agreement entered into under this Act, suspends, withdraws, or otherwise abrogates a commitment referred to in subsection (a) or (c) of section 226, in violation of the provisions of trade agreements, the President shall forthwith notify such country of the intention of the United States to terminate the concession or concessions granted by the United States in reliance on such commitment. If the foreign country after such notification fails promptly to restore the commitment into full force and effect, the President shall forthwith terminate such concession or concessions by appropriate modification of the proclamation which made it or them effective."

On page 26, line 6, strike out "6, 7,".

On page 26, strike out lines 12 through 19.

On page 27, strike out lines 7 through 10, and insert in lieu thereof the following:

"(a) (1) Petitions by domestic industries for import adjustment shall be filed with the Tariff Commission under section 7 of the Trade Agreements Extension Act of 1951, as amended (19 U.S.C., sec. 1364); and petitions by firms or groups of workers for determinations of eligibility to apply for adjustment assistance may be filed with the Tariff Commission under subsection (c) of this section. In".

On page 28, strike out lines 2 through 4, and insert in lieu thereof the following: "a result, in whole or in part, of the duty or other customs treatment reflecting concessions granted under trade agreements, an article is being imported into the United States in such increased quantities, either actual or relative, as to cause, or threatent to cause, serious".

On page 28, strike out lines 8 through 11, and insert in lieu thereof the following: "the Tariff Commission shall be governed by section 7 of the Trade Agreements Extension Act of 1951, as amended (19 U.S.C., sec. 1364)."

On page 28, beginning with ", in" in line 20, strike out all through line 22, and insert in lieu thereof the following: "determine whether, as a result, in whole or in part, of the duty or other customs treatment reflecting concessions granted under".

On page 28, line 25, strike out "as to cause", and insert in lieu thereof ", either actual or relative, as to cause".

On page 29, beginning with "In" in line 1, strike out all through line 6.

On page 29, beginning with ", in" in line 9, strike out all through line 11, and insert in lieu thereof the following: "determine whether, as a result, in whole or in part, of the duty or other customs treatment reflecting concessions granted under".

On page 29, strike out line 15, and insert in lieu thereof

the following: "in such increased quantities, either actual or relative, as to cause, or threaten to cause,".

On page 30, between lines 12 and 13, insert the following:

"(f) Subsection (b) of section 7 of the Trade Agreements Extension Act of 1951, as amended (19 U.S.C., sec. 1364(b)), is amended by adding at the end thereof the following new sentence: 'The Commission shall find that increased imports have caused or threaten serious injury to the domestic industry producing like or directly competitive products when the evidence received during its investigation and hearings establishes that there has occurred (1) a significant decline in the share of the domestic market supplied by domestic products in comparison with the share so supplied during a representative base period (taking into account a decline in order bookings of domestic industries producing articles requiring a long leadtime in production), and (2) either (i) a significant decline in the net earnings of the domestic industry producing such products, or (ii) a decline in employment, a loss of wages due to shortened work periods, or a decline in wage rates in such domestic industry.'"

On page 30, line 13, strike out "(f)" and insert in lieu thereof "(g)".

On page 31, strike out lines 12 through 25, and insert in lieu thereof the following:

"(a) After receiving a report from the Tariff Commission containing an affirmative finding under section 301(b) with respect to any industry, the President shall take action or report as specified in section 7(c) of the Trade Agreements Extension Act of 1951, as amended (19 U.S.C., sec. 1364(c)).

"(b) No proclamation pursuant to subsection (a) shall be made—

"(1) increasing any rate of duty to a rate more than 50 percent above the rate existing on July 1, 1934, or

"(2) in the case of an article not subject to duty, imposing a duty in excess of 50 percent ad valorem.

For purposes of paragraph (1), the term 'existing on July 1, 1934' has the meaning assigned to such term by paragraph (5) of section 256."

On page 32, strike out lines 1 through 20, and insert in lieu thereof the following:

"(c) Paragraph (2)(B) of subsection (c) of section 7 of the Trade Agreements Extension Act of 1951, as amended (19 U.S.C., sec. 1364(c)(2)(B)), is amended by striking out the word 'two-thirds' and inserting in lieu thereof the word 'majority'."

On page 32, line 21, strike out "(c)" and insert "(d)".

On page 33, line 1, strike out "(d)" and insert "(e)".

On page 33, line 1, strike out "(b) or (c)" and insert in lieu thereof "(d)".

On page 33, line 5, strike out "(e)" and insert "(f)".

On page 33, line 9, strike out "(2) or in subsection (b) (2) of this section".

On page 33, beginning with "Within" in line 19, strike out all through line 10 on page 49, and insert in lieu thereof the following:

"(b) Promptly upon receipt of such application the Secretary of Commerce shall designate the community in which each affected plant of the affected firm is located as a 'redevelopment area' under the Area Redevelopment Act (P.L. 87–27) for the purpose of making available to such firm the benefits of such Act, and notwithstanding any provision of such Act to the contrary, the Secretary is authorized and shall accord on a priority basis to the affected firm and its affected workers such benefits provided in such Act as the Secretary shall determine to be appropriate for the sound economic redevelopment of the affected establishment and workers."

On page 49, beginning with line 12, strike out all through line 16, on page 73, and insert in lieu thereof the following:

"SEC. 321. CERTIFICATION OF ADJUSTMENT PROPOSALS.

"(a) A group of workers certified under section 302 as eligible to apply for adjustment assistance may, at any time within two years after the date of such certification, file an application with the Secretary of Labor for adjustment assistance under this chapter.

"(b) Promptly upon receipt of such application the Secretary of Labor shall make available on a priority basis to unemployed or underemployed workers in such group the benefits provided in the Manpower Development and Training Act of 1962."

At the end of the bill insert the following new sections:

"SEC. 406. FINDINGS OF FACT REQUIRED FOR PRESIDENTIAL DETERMINATIONS.

"Any determinations of the President under sections 201(a), 211(a), 211(b), 211(c), 212, 213(a), 213(b), 232(a), 232(b), 254, 256(7), or 302(a) shall be based upon findings of fact by the President that the conditions or principles specified in each such section exist or are applicable as shown by the record of the investigation made incidental to such determination.

"SEC. 407. PUBLICATION OF REPORTS.

"The reports and other documents described in sections 213(c), 242(b)(3), and 301(g) shall be made public by the President or at his direction as soon as practicable

after the purposes for which they are specified in this Act have been accomplished.

"SEC. 408. FOSTERING INCREASED EMPLOYMENT IN GROWTH INDUSTRIES.

"(a) Taking note of the persistent high levels of unemployment existing in the United States and the necessity for encouraging and protecting the growth of new domestic industries and domestic industries whose operations have been characterized by sustained growth in employment, plant investment, and production as a means of reducing unemployment and providing jobs for the Nation's growing labor force, the Congress declares it to be the policy of the United States that no reduction in any rate of duty, or binding of any existing customs or excise treatment, or other concession proclaimed under section 350 of the Tariff Act of 1930, as amended (19 U.S.C., sec. 1351), or under section 201 of this Act, shall be permitted to continue in effect when the product on which the concession has been granted is, as a result, in whole or in part, of the duty or other customs treatment reflecting such concession, being imported into the United States in such increased quantities, as to cause or threaten serious impairment of the rate of growth of such industries producing the like or directly competitive products. No action shall be taken pursuant to section 201 of this Act to decrease the duty on any imported article or to bind any

existing customs treatment, if such action would cause or threaten serious impairment of the rate of growth of such domestic industries producing the like or directly competitive products.

"(b) The President, as soon as practicable, shall take such action as may be necessary to bring trade agreements heretofore entered into under section 350 of the Tariff Act of 1930, as amended (19 U.S.C., sec. 1351), into conformity with the policy established in subsection (a) of this section.

"(c) In any investigation conducted pursuant to section 221 (b) of this Act, the Tariff Commission shall, in addition to the findings required by such section, report to the President its findings with respect to the limit to which modification of duties and other import restrictions, or continuance of existing customs and excise treatment, may be made with reference to imported articles in order to carry out the purpose of this Act without causing or threatening serious impairment of the rate of growth of such domestic industries, described in subsection (a) of this section, which produce the like or directly competitive articles.

"(d) (1) The first paragraph of subsection (a) of section 7 of the Trade Agreements Extension Act of 1951, as amended (19 U.S.C., sec. 1364 (a)), is amended by changing the period at the end of the paragraph to a comma and adding the following: 'or to cause or threaten serious im-

pairment of the rate of growth of a new domestic industry or a domestic industry whose operations have been characterized by sustained growth in employment, plant investment, and production, which produces the like or directly competitive products.'.

"(2) The first sentence of the third paragraph of subsection (a) of such section is amended (A) by inserting after 'directly competitive products,' the following: 'or to cause or threaten serious impairment of the rate of growth of a new domestic industry or a domestic industry whose operations have been characterized by a sustained growth in employment, plant investment, and production, which produces the like or directly competitive products,'; and (B) by striking out the period at the end of such sentence and inserting in lieu thereof the following: 'or impairment.'.

"(3) The first sentence of paragraph (1) of subsection (c) of such section is amended by inserting after the words 'serious injury to' the following: 'or serious impairment of the rate of growth of'."

87TH CONGRESS
2D SESSION

H. R. 11970

AMENDMENTS

Intended to be proposed by Mr. BUSH (for himself, Mr. ALLOTT, Mr. BENNETT, Mr. CAPEHART, Mr. HICKEY, Mr. SALTONSTALL, Mr. THURMOND, and Mr. TOWER) to the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes.

AUGUST 2, 1962

Referred to the Committee on Finance and ordered to be printed

87TH CONGRESS
2D SESSION

H. R. 11970

IN THE SENATE OF THE UNITED STATES

AUGUST 3, 1962

Referred to the Committee on Finance and ordered to be printed

AMENDMENTS

Intended to be proposed by Mr. BARTLETT (for himself, Mr. MAGNUSON, Mr. MORSE, Mr. YARBOROUGH, and Mr. MUSKIE) to the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes, viz:

On page 19, line 16, strike out "or".

On page 19, between lines 19 and 20, insert the following:

"(3) engages or tolerates its nationals to engage in practices which are in conflict with recognized conservation principles and tend to defeat efforts by the

United States including the respective States to conserve or protect fishery resources, or

"(4) takes any action, contrary to the principles of international law, to harass or otherwise interfere with the United States-flag fishing vessels engaged in lawful activities on the high seas,".

On page 19, line 24, strike out "or" after the comma.

On page 20, line 3, strike out the period and insert ", or".

On page 20, between lines 3 and 4, insert the following:

"(C) take such action to adjust imports of products of such country or instrumentality as he deems necessary."

87TH CONGRESS
2D SESSION

H. R. 11970

AMENDMENTS

Intended to be proposed by Mr. BARTLETT (for himself, Mr. MAGNUSON, Mr. MORSE, Mr. YARBOROUGH, and Mr. MUSKIE) to the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes.

AUGUST 3, 1962

Referred to the Committee on Finance and ordered to be printed

87TH CONGRESS
2D SESSION

H. R. 11970

IN THE SENATE OF THE UNITED STATES

AUGUST 7, 1962

Referred to the Committee on Finance and ordered to be printed

AMENDMENTS

Intended to be proposed by Mr. JAVITS to the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes, viz:

On page 3, beginning with line 21, strike out all through line 14, on page 6, and insert in lieu thereof the following:

"CHAPTER 2—SPECIAL AUTHORITY WITH RESPECT TO FULLY DEVELOPED COUNTRIES OR AREAS

"SEC. 211. BASIC AUTHORITY.

"(a) The President may, in carrying out any trade agreement with fully developed countries or areas, issue

proclamations as to articles or categories of articles without regard to the limitation expressed in section 201 (b) (1): *Provided,* That the more substantial concessions shall be made on products of industries which the President determines to have the greatest demonstrated capacity and potential for export expansion and the greatest growth potential and highest productivity.

"(b) As used in this chapter, the term "fully developed country or area" means (1) the European Economic Community, and (2) any other foreign country or area, or any group of such countries or areas operating as a customs union or free trade association (other than any country or area described in section 231) which the President has, by Executive order, designated as a fully developed country or area: *Provided,* That such an Executive order shall have been in effect for at least 180 days prior to the entering into of any trade agreement with respect to which the provisions of subsection (a) are applicable. In making any such designation the President shall consider the output per worker engaged in manufacturing and the extent of manufacturing activity in the country or area to be considered for such designation, as compared to such output and the extent of such activity in the United States."

On page 6, line 15, strike out "(e)" and insert "(c)".

On page 6, lines 20 and 21, strike out "European Eco-

nomic Community" and insert in lieu thereof "fully developed countries or areas".

On page 7, strike out lines 12 through 15, and insert the following:

"(3) the fully developed countries or areas have made a commitment with respect to duties or other import restrictions which is likely to assure access for such article to the markets of such countries or areas".

87TH CONGRESS
2D SESSION

H. R. 11970

AMENDMENTS

Intended to be proposed by Mr. JAVITS to the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes.

AUGUST 7, 1962

Referred to the Committee on Finance and ordered to be printed

87TH CONGRESS
2D SESSION

H. R. 11970

IN THE SENATE OF THE UNITED STATES

AUGUST 7, 1962

Referred to the Committee on Finance and ordered to be printed

AMENDMENTS

Intended to be proposed by Mr. JAVITS to the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes, viz:

On page 20, between lines 12 and 13, insert a new section as follows:

"SEC. 253. UTILIZATION OF AUTHORITY TO ENTER INTO TRADE AGREEMENTS.

"The authority conferred by section 201 (a) shall, subject to the provisions of this title, be utilized by the President—

"(1) so as to base any concession made by the

United States substantially on the effectiveness of such a concession in obtaining the extension of any concession made by fully developed countries or areas to the United States to all other countries or areas which are not referred to in section 231; and

"(2) in any trade agreements entered into pursuant to such authority, so as to establish special arrangements (including the lowering of tariffs on specified quantities of products and the rendering of marketing and servicing assistance) to aid in the development of stable and growing markets in fully developed countries or areas for the products of other countries or areas which are not referred to in section 231 with a minimum of economic dislocation and a maximum of economic benefit to such markets."

On page 20, line 13, strike out "253" and insert "254".

On page 20, line 15, strike out "254" and insert "255".

On page 21, line 18, strike out "254" and insert "255".

On page 21, line 22, strike out "253" and insert "254".

One page 22, line 4, strike out "255" and insert "256".

On page 22, line 15, strike out "256" and insert "257".

On page 24, between lines 12 and 13, insert the following:

"(8) The term "fully developed country or area" means (A) the European Economic Community, and

(B) any other foreign country or area, or any group of such countries or areas operating as a customs union or free trade association (other than any country or area described in section 231) which the President has, by Executive order, designated as a fully developed country or area. In making any such designation the President shall consider the output per worker engaged in manufacturing and the extent of manufacturing activity in the country or area to be considered for such designation, as compared to such output and the extent of such activity in the United States."

On page 24, line 13, strike out "257" and insert "258".

87TH CONGRESS
2D SESSION

H. R. 11970

AMENDMENTS

Intended to be proposed by Mr. JAVITS to the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes.

AUGUST 7, 1962

Referred to the Committee on Finance and ordered to be printed

87TH CONGRESS
2D SESSION

H. R. 11970

IN THE SENATE OF THE UNITED STATES

AUGUST 7, 1962

Referred to the Committee on Finance and ordered to be printed

AMENDMENTS

Intended to be proposed by Mr. JAVITS to the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes, viz:

On page 20, between lines 12 and 13, insert a new section as follows:

"SEC. 253. UTILIZATION OF AUTHORITY TO ENTER INTO TRADE AGREEMENTS.

"It is the sense of the Congress that the President should utilize the authority conferred by section 201 (a) to negotiate an agreement under which all countries receiving trade con-

cessions pursuant to trade agreements entered into, and all contracting parties to the General Agreement on Tariffs and Trade, report annually to the appropriate organ established pursuant to said General Agreement on the progress achieved in (1) improving working conditions in those industries the products of which have been subject to such concessions, and (2) raising living standards in those countries or areas which are dependent on such industries."

On page 20, line 13, strike out "253" and insert "254".

On page 20, line 15, strike out "254" and insert "255".

On page 21, line 18, strike out "254" and insert "255".

On page 21, line 22, strike out "253" and insert "254".

On page 22, line 4, strike out "255" and insert "256".

On page 22, line 15, strike out "256" and insert "257".

On page 24, line 13, strike out "257" and insert "258".

87TH CONGRESS
2D SESSION

H. R. 11970

AMENDMENTS

Intended to be proposed by Mr. JAVITS to the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes.

AUGUST 7, 1962

Referred to the Committee on Finance and ordered to be printed

87TH CONGRESS
2D SESSION

H. R. 11970

IN THE SENATE OF THE UNITED STATES

AUGUST 7, 1962

Referred to the Committee on Finance and ordered to be printed

AMENDMENT

Intended to be proposed by Mr. JAVITS to the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes, viz:

On page 19, line 18, strike out "tolerance of international cartels" and insert in lieu thereof "infringements of United States patents, copyrights, or registered trademarks, or tolerance of such infringements or of international cartels".

★8-7-62——D

87TH CONGRESS
2D SESSION

H. R. 11970

AMENDMENT

Intended to be proposed by Mr. JAVITS to the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes.

AUGUST 7, 1962

Referred to the Committee on Finance and ordered to be printed

87TH CONGRESS
2D SESSION

H. R. 11970

IN THE SENATE OF THE UNITED STATES

AUGUST 7, 1962

Referred to the Committee on Finance and ordered to be printed

AMENDMENT

Intended to be proposed by Mr. JAVITS to the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes, viz: On page 33, between lines 12 and 13, insert a new section as follows:

SEC. 303. TERMINATION OF AUTHORITY TO ISSUE CERTIFICATES OF ELIGIBILITY.

(a) No certification of eligibility shall be issued under section 302 with respect to any firm or group of workers after June 30, 1974, or such earlier date as the Congress may by concurrent resolution prescribe.

(b) The termination of the authority to issue certifica-

tions of eligibility, as provided in subsection (a), shall not affect the eligibility of any firm or worker to apply for or to receive adjustment assistance pursuant to a certification of eligibility duly issued prior to the date of such termination.

87TH CONGRESS
2D SESSION

H. R. 11970

AMENDMENT

Intended to be proposed by Mr. JAVITS to the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes.

AUGUST 7, 1962
Referred to the Committee on Finance and ordered to be printed

87TH CONGRESS
2D SESSION

H. R. 11970

IN THE SENATE OF THE UNITED STATES

AUGUST 7, 1962
Referred to the Committee on Finance and ordered to be printed

AMENDMENT

Intended to be proposed by Mr. JAVITS to the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes, viz:

On page 75, line 5, after the period insert the following: "Such report shall also show the amount of funds which have been appropriated pursuant to sections 312 (d) and 337 and have been expended or committed for each type of adjustment assistance authorized by chapters 2 and 3 of title III."

★8-7-62——F

87TH CONGRESS
2D SESSION

H. R. 11970

AMENDMENT

Intended to be proposed by Mr. JAVITS to the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes.

AUGUST 7, 1962

Referred to the Committee on Finance and ordered to be printed

87TH CONGRESS
2D SESSION

H. R. 11970

IN THE SENATE OF THE UNITED STATES

AUGUST 7, 1962

Referred to the Committee on Finance and ordered to be printed

AMENDMENT

Intended to be proposed by Mr. JAVITS to the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes, viz: On page 75, between lines 21 and 22, insert the following:

(d) The Tariff Commission shall bring up to date and publish, at intervals of not to exceed five years, the "Summaries of Tariff Information".

★8-7-62——G

87TH CONGRESS
2D SESSION

H. R. 11970

AMENDMENT

Intended to be proposed by Mr. JAVITS to the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes.

AUGUST 7, 1962

Referred to the Committee on Finance and ordered to be printed

87TH CONGRESS
2D SESSION

H. R. 11970

IN THE SENATE OF THE UNITED STATES

AUGUST 7, 1962

Referred to the Committee on Finance and ordered to be printed

AMENDMENT

Intended to be proposed by Mr. JAVITS (for himself and Mr. RANDOLPH) to the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes, viz: On page 16, between lines 10 and 11, insert the following:

(c) (1) The Special Representative for Trade Negotiations shall appoint a Council of Advisers which shall consist of not to exceed fifty appointive members to be selected from the major organizations in the United States representing industry, agriculture, and labor. In addition, the congressional delegates to negotiations, selected pursuant to section 243, shall, during any period in which they are accredited

members of a United States delegation to any negotiation under this title, serve as ex officio members of such Council. The Special Representative shall serve as chairman of such Council. Members appointed to such Council, while attending meetings or otherwise engaged in the performance of their duties as members of the Council, shall be entitled to receive compensation and reimbursement as provided in section 401 (3), and the provisions of section 1003 of the National Defense Education Act of 1958 (20 U.S.C. 583) shall apply to such members.

(2) Members of the Council of Advisors shall give advice and counsel with respect to products of direct interest to them to members of any United States delegation to negotiations under this title, and to the United States delegates to any other international meeting dealing with modifications of existing trade restrictions. The Special Representative for Trade Negotiations shall provide members of the Council with such information with respect to such negotiations and meetings as he determines will enable such members to fully and effectively discharge their functions under this subsection.

87TH CONGRESS
2D SESSION

H. R. 11970

AMENDMENT

Intended to be proposed by Mr. JAVITS (for himself and Mr. RANDOLPH) to the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes.

AUGUST 7, 1962

Referred to the Committee on Finance and ordered to be printed

87TH CONGRESS
2D SESSION

H. R. 11970

IN THE SENATE OF THE UNITED STATES

AUGUST 15, 1962

Referred to the Committee on Finance and ordered to be printed

AMENDMENT

Intended to be proposed by Mr. PELL to the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes, viz: On page 12, between lines 18 and 19, insert a new section as follows:

SEC. 227. INDICES CONCERNING LABOR COSTS IN FOREIGN COUNTRIES.

(a) The Secretary of Labor shall prepare suitable indices to provide a current and convenient basis for comparison of—

(1) the average real wages or earnings (in terms of purchasing power) which prevail in the various manufacturing industries of foreign countries which produce

manufactured articles to be considered for modification of duties or other import restrictions; and

(2) the average real wages or earnings (in terms of purchasing power) which prevail in domestic industries which produce articles which are like or directly competitive with articles referred to in paragraph (1). In determining average real wages or earnings in any industry, the Secretary shall consider the extent to which fringe benefits (including free meals at the plant, health and social security benefits, and free transportation) are received by workers in the industry in addition to their regular wages. In relating wages or earnings to purchasing power the Secretary shall consider available and relevant price indices on food, shelter, and clothing. In the preparation of such indices the Secretary may request information and advice from any of the executive departments or agencies of the Government.

(b) The indices prepared by the Secretary of Labor pursuant to subsection (a) shall be submitted to the President, and to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate, not later than two years after the date of enactment of this Act. Such indices shall be considered by the President and such committees in determining whether to recommend the enactment of appropriate legis-

lation authorizing the President to make any offer to a foreign country for the modification of duties or other import restrictions, with respect to manufactured articles, contingent upon and in proportion to, such periodic reductions in any wage differential that may exist between the domestic and foreign industries as may be desirable and appropriate in order to provide an incentive to certain foreign industries to bring their wages more closely in line with those prevailing in comparable domestic industries.

87TH CONGRESS
2D SESSION

H. R. 11970

AMENDMENT

Intended to be proposed by Mr. PELL to the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes.

AUGUST 15, 1962

Referred to the Committee on Finance and ordered to be printed

87TH CONGRESS
2D SESSION

H. R. 11970

IN THE SENATE OF THE UNITED STATES

AUGUST 15, 1962

Referred to the Committee on Finance and ordered to be printed

AMENDMENTS

Intended to be proposed by Mr. PELL to the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes, viz:

On page 36, line 20, strike out "or loans" and insert in lieu thereof "loans, or grants".

On page 37, between lines 9 and 10, insert the following new subsection:

"(c) Grants shall be made under this section only for the purpose of making funds available to the firm for the acquisition, installation, modernization, or conversion of machinery."

On page 37, line 10, strike out "(c)" and insert in lieu thereof "(d)".

On page 39, line 14, after "314" insert "in the form of a loan, guarantee, or participation in a loan,".

On page 39, after line 25, insert a new subsection as follows:

"(g) (1) Any grant under this chapter shall not exceed two-thirds of the cost, as determined by the Secretary of Commerce, of acquiring and installing new machinery, or modernizing or converting existing machinery, and no such grant shall be made to any firm unless the Secretary determines that the grant is essential in order to enable such firm to carry out its certified adjustment proposal.

"(2) The Secretary of Commerce shall by regulation provide for such supervision with respect to the expenditure of funds granted under this chapter as he deems necessary to insure that Federal funds are not wasted or dissipated."

87TH CONGRESS
2D SESSION

H. R. 11970

AMENDMENTS

Intended to be proposed by Mr. PELL to the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes.

AUGUST 15, 1962

Referred to the Committee on Finance and ordered to be printed

87TH CONGRESS
2D SESSION

H. R. 11970

IN THE SENATE OF THE UNITED STATES

AUGUST 15, 1962

Referred to the Committee on Finance and ordered to be printed

AMENDMENTS

Intended to be proposed by Mr. PELL to the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes, viz:

On page 16, line 14, strike out "4" and insert "5".

On page 27, line 9, strike out "or 3" and insert in lieu thereof ", 3, or 4".

On page 27, line 10, strike out "or industries" and insert in lieu thereof "industries, or communities".

On page 27, line 17, after the period insert the following: "In the case of a community, such petition may be

filed by any duly authorized representative of the community, including a public organization or association."

On page 29, between lines 17 and 18, insert a new paragraph as follows:

"(3) In the case of a petition by a community for a determination of eligibility to apply for adjustment assistance under chapter 4, the Tariff Commission shall, in addition to making an industry determination under subsection (b), determine whether, as a result of concessions granted under trade agreements, an article like or directly competitive with an article produced in the community is being imported into the United States in such increased quantities as to cause, or threaten to cause, serious injury to the economy of such community. In making its determination under this paragraph, the Tariff Commission shall take into account all economic factors which it considers relevant, including idling of productive facilities of one or more firms situated in the community, the resulting unemployment or underemployment in the community, and the extent to which the economy of the community depends upon the productive activities of such firm or firms."

On page 29, line 18, strike out "(3)" and insert "(4)".

On page 29, line 24, after "industry" insert ", or a community the economy of which is affected by such industry,".

On page 31, line 6, strike out "or (c) (2)" and insert ", (c) (2), or (c) (3)".

On page 31, line 7, after "workers" insert "or community".

On page 31, line 24, strike out "or".

On page 31, between lines 24 and 25. insert a new paragraph as follows:

"(4) provide, with respect to such industry, that communities the economics of which are dependent substantially on such industry may request the Secretary of Commerce for certifications of eligibility to apply for adjustment assistance under chapter 4, or".

On page 31, line 25, strike out "(4)" and insert "(5)".

On page 32, between lines 20 and 21, insert a new paragraph as follows:

"(3) The Secretary of Commerce shall certify, as eligible to apply for adjustment assistance under chapter 4, any community the economy of which is dependent substantially on an industry with respect to which the President has acted under subsection (a) (4), upon a showing by such community to the satisfaction of the Secretary of Commerce that the increased imports (which the Tariff Commission has determined to result from concessions granted under

trade agreements) have caused serious injury or threat thereof to such community."

On page 32, line 23, strike out "or group of workers" and insert in lieu thereof ", group of workers, or community".

On page 32, line 24, strike out "or group of workers" and insert in lieu thereof ", group of workers, or community".

On page 67, between lines 2 and 3, insert a new chapter as follows:

"CHAPTER 4—ASSISTANCE TO COMMUNITIES

"SEC. 339. CERTIFICATION OF ADJUSTMENT PROPOSALS.

"(a) A community certified under section 302 as eligible to apply for adjustment assistance may, at any time within 2 years after the date of such certification, file an application with the Secretary of Commerce for adjustment assistance under this chapter. Within a reasonable time after filing its application, the community shall present a proposal for its economic adjustment.

"(b) Adjustment assistance under this chapter consists of either technical assistance or financial assistance, or both. Except as provided in subsection (c), no adjustment assistance shall be provided to a community under this chapter until its adjustment proposal shall have been certified by the Secretary of Commerce—

"(1) to be reasonably calculated materially to con-

tribute to the economic adjustment of the community, and

"(2) to demonstrate that the community will make all reasonable efforts to use its own resources for economic development.

"(c) In order to assist a community which has applied for adjustment assistance under this chapter in preparing a sound adjustment proposal, the Secretary of Commerce may furnish technical assistance to such community prior to certification of its adjustment proposal.

"(d) Any certification made pursuant to this section shall remain in force only for such period as the Secretary of Commerce may prescribe.

"SEC. 340. USE OF EXISTING AGENCIES.

"(a) The Secretary of Commerce shall refer each certified adjustment proposal to such agency or agencies as he determines to be appropriate to furnish the technical and financial assistance necessary to carry out such proposal.

"(b) Upon receipt of a certified adjustment proposal, each agency shall promptly—

"(1) examine the aspects of the proposal relevant to its functions, and

"(2) notify the Secretary of Commerce of its deter-

mination as to the technical and financial assistance it is prepared to furnish to carry out the proposal.

"(c) Whenever and to the extent that any agency to which an adjustment proposal has been referred notifies the Secretary of Commerce of its determination not to furnish technical or financial assistance, and if the Secretary of Commerce determines that such assistance is necessary to carry out the adjustment proposal, he may furnish adjustment assistance under sections 341 and 342 to the community concerned.

"(d) There are hereby authorized to be appropriated to the Secretary of Commerce such sums as may be necessary from time to time to carry out his functions under this chapter in connection with furnishing adjustment assistance to communities, which sums are authorized to be appropriated to remain available until expended.

"SEC. 341. TECHNICAL ASSISTANCE.

"(a) Upon compliance with section 340(c), the Secretary of Commerce may provide to a community, on such terms and conditions as he determines to be appropriate, such technical assistance as in his judgment will materially contribute to the economic adjustment of the community.

"(b) To the maximum extent practicable, the Secretary of Commerce shall furnish technical assistance under

this section and section 339(c) through existing agencies, and otherwise through private individuals, firms, or institutions.

"(c) The Secretary of Commerce shall require a community receiving assistance under this section or section 339(c) to share the cost thereof to the extent he determines to be appropriate.

"SEC. 342. FINANCIAL ASSISTANCE.

"(a) Upon compliance with section 340(c), the Secretary of Commerce may provide to a community, or any public agency or instrumentality thereof, on such terms and conditions as he determines to be appropriate, such financial assistance in the form of loans or grants, or both, as in his judgment will materially contribute to the economic adjustment of the community. Such loans may be made directly or through the purchase of securities and obligations of the community or any public agency or instrumentality thereof.

"(b) Loans or grants under this section shall be made only for the purpose of making funds available for the purchase or development of land for such public facility usage, and the construction, rehabilitation, alteration, expansion, or improvement of such public facilities, as will, in the determination of the Secretary of Commerce, assist in the

economic adjustment of the community by providing improved opportunities in the community for economic growth or underemployment.

"(c) To the maximum extent practicable, the Secre- and expansion with a resulting reduction in unemployment this section through agencies furnishing financial assistance under other law.

"(d) In administering financial assistance under this section the Secretary of Commerce shall have the powers set forth in section 316(a).

"SEC. 343. CONDITIONS FOR FINANCIAL ASSISTANCE.

"(a) Loans under this chapter shall be subject to the restrictions and limitations set forth in subsections (a)(1), (a)(2), (a)(3), (a)(4), (b), and (d) of section 7 of the Area Redevelopment Act.

"(b) Grants under this chapter shall be subject to the restrictions and limitations set forth in (a)(1), (a)(2), (a)(3), (b), and (c) of section 8 of the Area Redevelopment Act, and no such grant shall be made unless the Secretary of Commerce determines that it is necessary in order to enable a community to carry out its certified adjustment proposal."

On page 67, line 3, strike out "4" and insert "5".

On page 72, line 14, strike out "5" and insert "6".

On page 73, line 3, strike out "and 3" and insert ", 3 and 4".

On page 77, after line 12, insert a new paragraph as follows:

"(7) The term 'community' means a political subdivision of, or an incorporated or unincorporated town in, any State (including the Commonwealth of Puerto Rico), and shall include the District of Columbia."

87TH CONGRESS
2D SESSION

H. R. 11970

AMENDMENTS

Intended to be proposed by Mr. PELL to the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes.

AUGUST 15, 1962

Referred to the Committee on Finance and ordered to be printed

87TH CONGRESS
2D SESSION

H. R. 11970

IN THE SENATE OF THE UNITED STATES

AUGUST 17 (legislative day, AUGUST 14), 1962

Referred to the Committee on Finance and ordered to be printed

AMENDMENTS

Intended to be proposed by Mr. SMATHERS to the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes, viz:

On page 51, beginning with "(1)" in line 18, strike out all through "subsection (b)" in line 1, on page 52, and insert in lieu thereof the following: "The amount of trade readjustment allowance payable to an adversely affected worker under subsection (a) or (b)".

On page 52, line 10, strike out "payable" and insert in lieu thereof "paid".

On page 52, line 20, strike out "payable" and insert in lieu thereof "paid".

On page 53, beginning with line 14, strike out all through line 2 on page 54 and insert:

"(g) (1) If unemployment insurance is paid under a State law to an adversely affected worker for a week for which—

"(A) he receives a trade readjustment allowance, or

"(B) he would be entitled (determined without regard to subsection (c) or (e) or to any disqualification under section 327) to receive a trade readjustment allowance if he applied for such allowance,

the State agency making such payment shall, unless it has been reimbursed for such payment under other Federal law, be reimbursed from funds appropriated pursuant to section 337, to the extent such payment does not exceed the amount of the trade readjustment allowance such worker would have received, or would have been entitled to receive, as the case may be, if he had not received the State payment. The amount of such reimbursement shall be determined by the Secretary of Labor on the basis of reports furnished to him by the State agency.

"(2) In any case in which a State agency is reimbursed under paragraph (1) for payments of unemployment insurance made to an adversely affected worker, such payments, and the period of unemployment of such worker for which

such payments were made, may be disregarded under the State law (and for purposes of applying section 3303 of the Internal Revenue Code of 1954) in determining whether or not an employer is entitled to a reduced rate of contributions permitted by the State law, but only if, under the State law, such payments and such period are disregarded in determining such worker's eligibility for benefits under the State law upon the termination of such worker's eligibility to receive trade readjustment allowances as determined under section 324."

87TH CONGRESS
2D SESSION

H. R. 11970

AMENDMENTS

Intended to be proposed by Mr. SMATHERS to the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes.

AUGUST 17 (legislative day, AUGUST 14), 1962
Referred to the Committee on Finance and ordered to be printed

87TH CONGRESS
2D SESSION

H. R. 11970

IN THE SENATE OF THE UNITED STATES

AUGUST 23, 1962

Referred to the Committee on Finance and ordered to be printed

AMENDMENT

Intended to be proposed by Mr. SALTONSTALL (for himself, Mr. SMITH of Massachusetts, Mr. BUSH and Mr. DODD) to the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes, viz: On page 26, after line 26, insert the following:

(g) Section 205 of the Antidumping Act, 1921, as amended (19 U.S.C. 164), is amended—

(1) by inserting "(a)" after "SEC. 205.", and

(2) by adding at the end thereof a new subsection as follows:

"(b) Notwithstanding the provisions of subsection (a), the foreign market value of imported firearms and ammunition which have been disposed of as surplus by a foreign

government shall, for the purposes of this title, be not less than the constructed value of the merchandise as defined in section 206."

87TH CONGRESS
2D SESSION

H. R. 11970

AMENDMENT

Intended to be proposed by Mr. SALTONSTALL (for himself, Mr. SMITH of Massachusetts, Mr. BUSH, and Mr. DODD) to the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes.

AUGUST 23, 1962

Referred to the Committee on Finance and ordered to be printed

87TH CONGRESS
2D SESSION

H. R. 11970

IN THE SENATE OF THE UNITED STATES

AUGUST 29, 1962

Referred to the Committee on Finance and ordered to be printed

AMENDMENTS

Intended to be proposed by Mr. SMATHERS to the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes, viz:

On page 51, beginning with "(1)" in line 18, strike out all through "subsection (b)" in line 1, on page 52, and insert in lieu thereof the following: "The amount of trade readjustment allowance payable to an adversely affected worker under subsection (a) or (b)".

On page 52, line 10, strike out "payable" and insert in lieu thereof "paid".

On page 52, line 20, strike out "payable" and insert in lieu thereof "paid".

On page 53, beginning with line 14, strike out all through line 2 on page 54 and insert:

"(g) (1) If unemployment insurance is paid under a State law to an adversely affected worker for a week for which—

"(A) he receives a trade readjustment allowance, or

"(B) he makes application for a trade readjustment allowance and would be entitled (determined without regard to subsection (c) or (e)) to receive such allowance,

the State agency making such payment shall, unless it has been reimbursed for such payment under other Federal law, be reimbursed from funds appropriated pursuant to section 337, to the extent such payment does not exceed the amount of the trade readjustment allowance which such worker would have received, or would have been entitled to receive, as the case may be, if he had not received the State payment. The amount of such reimbursement shall be determined by the Secretary of Labor on the basis of reports furnished to him by the State agency.

"(2) In any case in which a State agency is reimbursed under paragraph (1) for payments of unemployment insurance made to an adversely affected worker, such payments, and the period of unemployment of such worker for which

such payments were made, may be disregarded under the State law (and for purposes of applying section 3303 of the Internal Revenue Code of 1954) in determining whether or not an employer is entitled to a reduced rate of contributions permitted by the State law, but only if, under the State law, such payments and such period are disregarded in determining such worker's eligibility for unemployment insurance under the State law upon the termination of such worker's eligibility to receive trade readjustment allowances as determined under section 324."

87TH CONGRESS
2D SESSION

H. R. 11970

AMENDMENTS

Intended to be proposed by Mr. SMATHERS to the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes.

AUGUST 29, 1962
Referred to the Committee on Finance and ordered to be printed

87TH CONGRESS
2D SESSION

H. R. 11970

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 5, 1962

Referred to the Committee on Finance and ordered to be printed

AMENDMENT

Intended to be proposed by Mrs. NEUBERGER to the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes, viz: At the end of the bill add a new section as follows:

SEC. . SUSPENSION OF THE JONES ACT (46 U.S.C. 883) WITH RESPECT TO SHIPMENTS OF LUMBER TO PUERTO RICO.

(a) The provisions of section 27 of the Merchant Marine Act, 1920 (46 U.S.C. 883) shall be suspended with respect to the transportation of lumber to the Commonwealth of Puerto Rico from any ports or terminal areas in the United States whenever the Secretary of Commerce determines that there is no domestic vessel available to serve between such

ports or terminal areas for the transportation of such lumber. Upon making the determination provided for in this section, the Secretary of Commerce shall establish such terms, conditions, and regulations with respect to operations under such suspension as he determines to be in the national interest.

(b) Any suspension under the provisions of this Act shall terminate whenever the Secretary of Commerce determines that conditions required in the subsection (a) of this section for such suspension no longer exists.

(c) No Federal laws shall apply to any water carrier because of operations under a suspension provided for in this Act if such laws did not apply to such carrier prior to such suspension.

87TH CONGRESS
2D SESSION

H. R. 11970

AMENDMENT

Intended to be proposed by Mrs. NEUBERGER to the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes.

SEPTEMBER 5, 1962
Referred to the Committee on Finance and ordered to be printed

Calendar No. 2025

87TH CONGRESS
2D SESSION

H. R. 11970

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 17, 1962

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. BUSH to the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes, viz:

On page 11, between lines 5 and 6, insert the following:

"(5) find and report with respect to each such article—

"(A) the limit to which modification of duty or other import restriction may be made in order to carry out the purposes of section 102 without causing or threatening serious injury to the domestic industry producing like or directly competitive articles; and

"(B) if increases in duties or additional import

restrictions are required to avoid serious injury to the domestic industry producing like or directly competitive articles, the minimum increases in duties or additional import restrictions required."

On page 14, strike out lines 13 through 16 and substitute in lieu thereof the following: "this title, together with a statement accurately identifying any article with respect to which the limits or minimum requirements found and reported by the Tariff Commission under section 221 (c) (5) are not complied with, and stating his reasons for the action taken with respect to each such article."

Calendar No. 2025

87TH CONGRESS
2D SESSION

H. R. 11970

AMENDMENTS

Intended to be proposed by Mr. BUSH to the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes.

SEPTEMBER 17, 1962

Ordered to lie on the table and to be printed

Calendar No. 2025

87TH CONGRESS
2D SESSION

H. R. 11970

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 17, 1962

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. BUSH to the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes, viz:

On page 30, line 4, strike out "6, 7,".

On page 30, strike out lines 10 through 17.

On page 33, strike out lines 20 through 23, and insert in lieu thereof the following:

"(a) (1) Applications for the regulation of imports to prevent or remedy serious injury to a domestic industry shall be filed with the Tariff Commission under section 7 of the Trade Agreements Extension Act of 1951, as amended (19 U.S.C., sec. 1364); and petitions by firms or groups

of workers for determinations of eligibility to apply for adjustment assistance may be filed with the Tariff Commission under subsection (c) of this section."

On page 34, strike out lines 1 through 7.

On page 34, line 8, strike out "(3)" and insert "(2)".

On page 34, strike out lines 17 through 19, and insert in lieu thereof the following: "a result, in whole or in part, of the duty or other customs treatment reflecting concessions granted under trade agreements, an article is being imported into the United States in such increased quantities, either actual or relative, as to cause, or threaten".

On page 34, strike out line 24, and insert in lieu thereof the following: "the Tariff Commission shall be governed by section 7 of the Trade Agreements Extension Act of 1951, as amended (19 U.S.C., sec. 1364)."

On page 35, strike out lines 1 through 8.

On page 39, strike out lines 8 through 21, and insert in lieu thereof the following:

"(a) (1) After receiving a report from the Tariff Commission containing an affirmative finding under section 301 (b) with respect to any industry, the President shall take action or report as specified in section 7 (c) of the Trade Agreements Extension Act of 1951, as amended (19 U.S.C., sec. 1364 (c))."

"(2) No proclamation pursuant to subsection (1) shall be made—

"(A) increasing any rate of duty to a rate more than 50 percent above the rate existing on July 1, 1934, except that a specific rate of duty existing on July 1, 1934, may be converted to its ad valorem equivalent based on the value of imports of the article concerned during the calendar year 1934 (determined in accordance with the standards of valuation contained in section 402a of the Tariff Act of 1930, as amended (19 U.S.C., sec. 1402)), and the proclamation may provide an ad valorem rate of duty not in excess of 50 percent above such ad valorem equivalent, or

"(B) in the case of an article not subject to duty, imposing a duty in excess of 50 percent ad valorem.

For purposes of paragraph (A), the term 'existing on July 1, 1934,' has the meaning assigned to such term by paragraph (6) of section 256."

growing, or otherwise producing like or directly competitive products or articles in commercial quantities. In applying the preceding sentence, the Commission shall (so far as practicable) distinguish or separate the operations of the producing organizations involving the like or directly competitive products or articles referred to in such sentence from the operations of such organizations involving other products or articles."

Calendar No. 2025

87TH CONGRESS
2D SESSION

H. R. 11970

AMENDMENTS

Intended to be proposed by Mr. BUSH to the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes.

SEPTEMBER 17, 1962

Ordered to lie on the table and to be printed

Calendar No. 2025

87TH CONGRESS
2D SESSION

H. R. 11970

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 17, 1962

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. BUSH to the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes, viz:

On page 30, line 4, strike out "6, 7,".

On page 30, strike out lines 10 through 17.

9-17-62——D

Calendar No. 2025

87TH CONGRESS
2D SESSION

H. R. 11970

AMENDMENTS

Intended to be proposed by Mr. BUSH to the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes.

SEPTEMBER 17, 1962

Ordered to lie on the table and to be printed

Calendar No. 2025

87TH CONGRESS
2D SESSION

H. R. 11970

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 17, 1962

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. BUSH to the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes, viz:

On page 77, strike out lines 14 and 15, and insert in lieu thereof the following: "by a majority vote of each House, of a concurrent resolution".

On page 77, line 19, after the period insert the following: "Such concurrent resolution shall be governed by the procedure specified in section 7 of the Trade Agreements Extension Act of 1958 (Public Law 85–686) subject to the qualifications stated therein."

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H. R. 11970

AMENDMENTS

Intended to be proposed by Mr. BUSH to the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes.

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87TH CONGRESS
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H. R. 11970

IN THE SENATE OF THE UNITED STATES

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AMENDMENT

Intended to be proposed by Mr. BUSH to the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes, viz: On page 33, between lines 2 and 3, insert the following:

"SEC. 259. CONGRESSIONAL ACTION ON TARIFF COMMISSION RECOMMENDATIONS.

"Paragraph (2) (B) of subsection (c) of section 7 of the Trade Agreements Extension Act of 1951, as amended (19 U.S.C., sec. 1364(c) (2) (B)), is amended by striking out the word 'two-thirds' and inserting in lieu thereof the word 'majority'."

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H. R. 11970

IN THE SENATE OF THE UNITED STATES

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AMENDMENTS

Intended to be proposed by Mr. BUSH to the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes, viz:

On page 7, line 4, strike out the period and insert in lieu thereof the following: ", or to any article as to which the Tariff Commission finds in its investigation under section 221 (c) that a reduction in duties below the limit specified in section 201 (b) (1) would cause or threaten serious injury to the domestic industry, sector of agriculture, or workers producing like or directly competitive articles."

On page 7, line 10, after "1959," insert the following: "except any article as to which the Tariff Commission finds in its investigation under section 221 (c) that a reduction in

duties below the limit specified in section 201 (b) (1) would cause or threaten serious injury to the domestic industry, sector of agriculture, or workers producing like or directly competitive articles,".

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On page 30, line 4, strike out "6, 7,".

On page 30, strike out lines 10 through 17.

On page 33. between lines 2 and 3, insert the following new section:

"SEC. 260. CLARIFICATION OF SERIOUS INJURY.

"Subsection (b) of section 7 of the Trade Agreements Extension Act of 1951, as amended (19 U.S.C., sec. 1364 (b)), is amended by adding at the end thereof the following new sentence: 'The Commission shall find that increased imports have caused or threaten serious injury to the do-

mestic industry producing like or directly competitive products when the evidence received during its investigation and hearings establishes that there has occurred (1) a significant decline in the share of the domestic market supplied by domestic products in comparison with the share so supplied during a representative base period (taking into account a decline in order bookings of domestic industries producing articles requiring a long leadtime in production), and (2) either (i) a significant decline in the net earnings of the domestic industry producing such products, or (ii) a decline in employment, a loss of wages due to shortened work periods, or a decline in wage rates in such domestic industry.' "

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Intended to be proposed by Mr. BUSH to the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes.

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AMENDMENT

Intended to be proposed by Mr. BUSH to the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes, viz: On page 14, between lines 16 and 17, insert the following:

SEC. 227. ESSENTIAL CONDITIONS FOR GRANTING CONCESSIONS.

(a) The President shall not proclaim any modification of existing duties or other import restrictions, or a continuance of existing customs or excise treatment of any article covered by a trade agreement entered into under this Act, unless he finds as a fact that the countries with which such concessions are negotiated have, except as otherwise permitted by the

terms of such agreement, committed themselves to admit like articles exported from the United States on terms and conditions no less favorable than those which would be applicable to their exports of such articles when imported into the United States if the President were to proclaim the modification or continuance provided for in such foreign trade agreement.

(b) The President shall not proclaim any modification of existing duties or other import restrictions, or a continuance of existing customs or excise treatment of any article covered by a trade agreement, unless he finds as a fact that the foreign countries which are parties to such agreement and would by the terms of such agreement receive the benefit of such modification or continuance have committed themselves to admit like articles exported from countries other than the United States and other than those countries referred to in section 231 free from quantitative and other nontariff restrictions and subject to duties and other charges no greater than those which would be applicable to such articles when imported into the United States if the President were to proclaim the modification or continuance provided for in such trade agreement.

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Intended to be proposed by Mr. BUSH to the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes.

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H. R. 11970

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AMENDMENTS

Intended to be proposed by Mr. BUSH to the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes, viz:

On page 21, line 15, strike out "agricultural".

On page 21, lines 18 and 19, strike out "agricultural".

On page 22, line 18, strike out "may" and insert in lieu thereof "shall".

On page 22, strike out lines 19 through 21.

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Intended to be proposed by Mr. BUSH to the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes.

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H. R. 11970

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AMENDMENT

Intended to be proposed by Mr. BUSH to the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes, viz:

On page 4, line 13, before the period insert the following: ", and that the United States accounted for 25 percent or more of such value".

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Intended to be proposed by Mr. BUSH to the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes.

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AMENDMENTS

Intended to be proposed by Mr. BUSH to the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes, viz:

On page 12, beginning with "or" in line 10, strike out all through line 11.

On page 29, strike out lines 14 through 21.

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Intended to be proposed by Mr. BUSH to the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes.

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AMENDMENT

Intended to be proposed by Mr. BUSH to the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes, viz:

On page 3, strike out lines 16 through 22.

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Intended to be proposed by Mr. BUSH to the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes.

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H. R. 11970

IN THE SENATE OF THE UNITED STATES

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AMENDMENT

Intended to be proposed by Mr. CURTIS to the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes, viz: On page 20, strike out lines 4 through 13, and insert in lieu thereof the following:

SEC. 243. LEGISLATIVE BRANCH COMMITTEE OF THE TRADE EXPANSION ACT OF 1962.

(a) The Speaker of the House of Representatives shall select three members (not more than two of the same political party) of the Committee on Ways and Means, two of whom shall be selected on recommendation of the chairman of said committee and the other on recommendation of the ranking minority member of said committee,

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and the President of the Senate shall select three members (not more than two of the same political party) of the Committee on Finance, two of whom shall be selected on recommendation of the chairman of said committee and the other on recommendation of the ranking minority member of said committee, as members of the Legislative Branch Committee of the Trade Expansion Act of 1962 for the session of the Congress during which such selections are made.

(b) Members of the Legislative Branch Committee of the Trade Expansion Act of 1962 shall be accredited observers of any United States delegation to all negotiations under this title.

(c) If a majority of the Legislative Branch Committee of the Trade Expansion Act of 1962 shall disapprove any trade agreement to be entered into under this title, they shall promptly notify the President, the Speaker of the House of Representatives, and the President of the Senate of their disapproval.

(d) (1) No trade agreement entered into under this title, with respect to which the Legislative Branch Committee of the Trade Expansion Act of 1962 has signified its disapproval in accordance with subsection (c), shall, notwithstanding any other provision of law, take effect until the expiration of the first period of sixty calendar days, of

continuous sessions of the Congress, following the date on which a copy of such agreement is transmitted to the Congress under section 226; and then only if, between the date of transmittal and the expiration of such sixty-day period, there has not been passed by either of the two Houses of Congress, by the affirmative vote of a majority of the authorized membership of that House, a resolution stating in substance that such House does not favor such agreement.

(2) For the purposes of paragraph (1)—

(A) continuity of session shall be considered broken only by an adjournment of the Congress sine die, but

(B) in the computation of the sixty-day period there shall be excluded the days on which either House is not in session because of an adjournment of more than three days to a day certain.

SEC. 244. RULES GOVERNING CONGRESSIONAL CONSIDERATION OF DISAPPROVAL RESOLUTIONS.

(a) The following subsections of this section are enacted by the Congress:

(1) As an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they shall be considered as part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in such House in the case of resolutions (as defined in subsection (b)); and such rules

shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) With full recognition of the constitutional right of either House to change such rules (so far as relating to the procedure in such House) at any time, in the same manner, and to the same extent as in the case of any other rule of such House.

(b) As used in this section, the term "resolution" means only a resolution of either of the two Houses of Congress, the matter after the resolving clause of which is as follows: "That the does not favor the trade agreement, entitled , submitted by the President to the Congress on , 19 , pursuant to section 226 of the Trade Expansion Act of 1962.", the blank spaces being appropriately filled; and does not include a resolution which specifies more than one foreign trade agreement.

(c) A resolution shall be referred to the Committee on Finance of the Senate or to the Committee on Ways and Means of the House of Representatives by the President of the Senate or the Speaker of the House of Representatives, as the case may be.

(d) (1) If the committee to which has been referred a resolution has not reported it before the expiration of ten calendar days after its introduction, it shall then (but not

before) be in order to move either to discharge the committee from further consideration of such resolution, or to discharge the committee from further consideration of any other resolution with respect to the same subject matter which has been referred to the committee.

(2) Such motion may be made only by a person favoring the resolution, shall be highly privileged (except that it may not be made after the committee has reported a resolution with respect to the same subject matter), and debate thereon shall be limited to not to exceed one hour, to be equally divided between those favoring and those opposing the resolution. No amendment to such motion shall be in order, and it shall not be in order to move to reconsider the vote by which such motion is agreed to or disagreed to.

(3) If the motion to discharge is agreed to or disagreed to, such motion may not be renewed, nor may another motion to discharge the committee be made with respect to any other resolution with respect to the same subject matter.

(e) (1) When the committee has reported, or has been discharged from further consideration of, a resolution it shall at any time thereafter be in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of such resolution.

Such motion shall be highly privileged and shall not be debatable. No amendment to such motion shall be in order and it shall not be in order to move to reconsider the vote by which such motion is agreed to or disagreed to.

(2) Debate on the resolution shall be limited to not to exceed ten hours, which shall be equally divided between those favoring and those opposing the resolution. A motion to limit debate shall not be debatable. No amendment to, or motion to recommit, the resolution shall be in order, and it shall not be in order to move to reconsider the vote by which the resolution is agreed to or disagreed to.

(f) (1) All motions to postpone, made with respect to the discharge from committee, or the consideration of, a resolution, and all motions to proceed to the consideration of other business, shall be decided without debate.

(2) All appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to a resolution shall be decided without debate.

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AMENDMENT

Intended to be proposed by Mr. CURTIS to the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

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(b) Every trade agreement shall include provisions designed (1) to maintain or expand the 1957 volume of United States agricultural commodity and processed commodity exports and to decrease the restrictions on the export of such commodities and (2) to limit the importation into the United States of competitive agricultural commodity and

processed commodity imports at a volume not in excess of the year 1957.

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(c) The President shall reserve from negotiations under this title for the reduction of any duty or other import restriction or the elimination of any duty, any article processed in substantial part from a raw or processed agricultural product or products or mineral or minerals (including nonmetalic minerals) if the United States price for such agricultural product or products or mineral or minerals (including nonmetallic minerals) is 10 per centum or more

higher than the world market price of such agricultural or mineral product or products unless the Tariff Commission shall determine a lower rate of duty for such product to which the duty may be reduced without causing or threatening serious injury to the domestic industry producing like or directly competitive products."

(d) In addition to the articles described by subsections (a), (b), and (c), the President shall also so reserve any other article which he determines to be appropriate, taking into consideration the advice of the Tariff Commission under section 221 (b), any advice furnished to him under section 222, and the summary furnished to him under section 223.

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AMENDMENTS

Intended to be proposed by Mr. CURTIS to the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes, viz:

On page 9, beginning with line 22, strike out all through line 8 on page 11, and insert the following:

"(b) Within six months after receipt of such a list, the Tariff Commission shall make an investigation and report to the President the findings of the Commission with respect to each article as to—

"(1) the limit to which a modification or continuance of United States duties or other import restrictions, or continuance of United States duty-free or excise treatment, may be extended in order to carry out the

purposes of section 102 without causing or threatening serious injury to the domestic industry producing like or directly competitive articles; and

"(2) if increases in duties or additional import restrictions are required to avoid serious injury to the domestic industry producing like or directly competitive articles, the minimum increases in duties or additional import restrictions required.

"(c) (1) In the course of any investigation under this section the Tariff Commission shall hold hearings, giving reasonable public notice thereof, at which there shall be afforded reasonable opportunity for interested parties to be present, produce evidence, and be heard. If in the course of any such investigation the Tariff Commission shall find with respect to any article on a list upon which a trade agreement concession has been made by the United States that an increase in duty or additional import restriction is required to avoid serious injury to the domestic industry producing like or directly competitive articles, the Tariff Commission shall promptly institute an investigation with respect to that article under section 301 (b).

"(2) In each such investigation the Tariff Commission shall, to the extent practicable and without excluding other factors, ascertain for the last calendar year preceding the investigation the average invoice price on a country-of-origin

basis (converted into currency of the United States in accordance with the provisions of section 522 of the Tariff Act of 1930, as amended) at which the foreign article was sold for export to the United States, and the average prices at which the like or directly competitive domestic articles were sold at wholesale in the principal markets of the United States. The Tariff Commission shall also, to the extent practicable, estimate for each article on the list the maximum increase in annual imports which may occur without causing serious injury to the domestic industry producing like or directly competitive articles. The Tariff Commission shall request the executive departments and agencies for information in their possession concerning prices and other economic data from the principal supplier foreign country of each such article."

On page 14, line 11, insert "(a)" before "The".

On page 14, line 13, strike out "advice" and insert "report".

On page 14, between lines 16 and 17, insert the following:

"(b) (1) If any trade agreement entered into under this title will, in the case of any article—

"(A) require or make appropriate any modification or continuance of United States duties or other import restrictions, or the continuance of United States

duty-free or excise treatment which will exceed the limit to which such modification or continuance may be extended without causing or threatening serious injury to the domestic industry producing like or directly competitive articles as found and reported by the Tariff Commission under section 221 (b), or

"(B) fail to require or make appropriate the minimum increase in duty or additional import restrictions required to avoid such injury,

the President shall transmit to each House of Congress, along with a copy of the trade agreement as provided in subsection (a), a message accurately identifying the article with respect to which such limits or minimum requirements are not complied with, and stating his reasons for the action taken with respect to such article. If either the Senate or the House of Representatives, or both, are not in session at the time of such transmission, such agreement and message shall be filed with the Secretary of the Senate or the Clerk of the House of Representatives, or both, as the case may be.

"(2) Promptly after the President has transmitted to each House of Congress a message, as required by paragraph (1) of this subsection, the Tariff Commission shall deposit with the Committee on Ways and Means of the House of

Representatives, and the Committee on Finance of the Senate, a copy of the portions of its report to the President dealing with each article with respect to which such limits or minimum requirements are not complied with."

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AMENDMENTS

Intended to be proposed by Mr. CURTIS to the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes, viz:

On page 41, beginning with line 9, strike out all through line 15 on page 76 (chapters 2 and 3 of title III of the bill, relating to assistance to firms and assistance to workers).

On page 12, line 19, strike out "351, or 352" and insert "311, or 312".

On page 18, lines 18 and 19, strike out "sections 351 and 352" and insert "sections 311 and 312".

On page 19, line 11, strike out "(e)" and insert "(d)".

On page 30, line 15, strike out "351" and insert "311" and strike out "(f)" and insert "(e)".

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On page 33, lines 4 and 5, strike out "AND OTHER ADJUSTMENT ASSISTANCE".

On page 33, line 21, strike out "351" and insert "311".

On page 34, strike out lines 1 through 7.

On page 34, line 8, strike out "(3)" and insert "(2)".

On page 35, beginning with line 15, strike out all through line 25 on page 36.

On page 37, line 9, strike out "(d) (1)" and insert "(c)".

On page 37, strike out lines 14 through 21.

On page 37, line 22, strike out "(e)" and insert "(d)".

On page 38, line 4, strike out "(f)" and insert "(e)".

On page 38, strike out lines 21 through 25.

On page 39, line 1, strike out "(g)" and insert "(f)".

On page 39, beginning with line 8, strike out all through line 8 on page 41 and in lieu thereof insert the following:

"After receiving a report from the Tariff Commission containing an affirmative finding under section 301 (b) with respect to any industry, the President may provide tariff adjustment for such industry pursuant to section 311 or 312."

On page 76, line 16, strike out "**CHAPTER 4**" and insert "**CHAPTER 2**".

On page 76, line 17, strike out "**351**" and insert "**311**".

On page 77, line 4, strike out "(e)" and insert "(d)".

On page 78, line 10, strike out "(e)" and insert "(d)".

On page 82, line 4, strike out "352" and insert "312".

On page 82, lines 8, 9, and 15, strike out "351" and insert "311".

On page 83, line 1, strike out "353" and insert "313".

On page 83, beginning with line 13, strike out all through line 15 on page 84.

On page 85, line 17, strike out "and other adjustment assistance".

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AMENDMENT

Proposed by Mr. KERR to the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes, viz:

On page 21, line 10, beginning after the section number (3), strike out the language down to and including the comma on line 11.

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AMENDMENT

Proposed by Mr. KERR to the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes.

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Ordered to be printed

AMENDMENT

Proposed by Mr. WILLIAMS of Delaware to the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes, viz: In lieu of the language on page 21, line 10, through "agreement," on line 11, proposed to be stricken out by the amendment of the Senator from Oklahoma, Mr. KERR, insert the following:

"(3) Notwithstanding any other provision of this Act or any provision of any trade agreement entered into under the authority of this Act,".

Calendar No. 2025

87TH CONGRESS
2D SESSION

H. R. 11970

AMENDMENT

Proposed by Mr. WILLIAMS of Delaware to the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes.

SEPTEMBER 18, 1962

Ordered to be printed

Calendar No. 2025

87TH CONGRESS
2D SESSION

H. R. 11970

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 18, 1962

Ordered to lie on the table and to be printed

AMENDMENTS

Intended to be proposed by Mr. BUSH to the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes, viz:

On page 9, line 24, strike out the words "probable economic" and insert in lieu thereof the following: "limit to which modifications of duties or other import restrictions affecting such article may be made without causing or threatening serious injury to the domestic industry producing like or directly competitive articles."

On page 10, strike out lines 1 through 5.

On page 14, line 16, strike out the period and insert in lieu thereof the following: ", and for exceeding any of the limits reported by the Commission under such subsection."

Calendar No. 2025

87TH CONGRESS
2D SESSION

H. R. 11970

AMENDMENTS

Intended to be proposed by Mr. BUSH to the bill (H.R. 11970) to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes.

SEPTEMBER 18, 1962

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